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ABSTRACTS

Public Opinion, Domestic Structure, and Foreign Policy in Liberal Democracies

By THOMAS RISSE-KAPPEN

The paper discusses the role of public opinion in the foreign policy–making process of liberal democracies. Contrary to prevailing assumptions, public opinion matters. However, the impact of public opinion is determined not so much by the specific issues involved or by the particular pattern of public attitudes as by the domestic structure and the coalition-building processes among the elites in the respective country. The paper analyzes the public impact on the foreign policy–making process in four liberal democracies with distinct domestic structures: the United States, France, the Federal Republic of Germany, and Japan. Under the same international conditions and despite similar patterns of public attitudes, variances in foreign policy outcomes nevertheless occur; these have to be explained by differences in political institutions, policy networks, and societal structures. Thus, the four countries responded differently to Soviet policies during the 1980s despite more or less comparable trends in mass public opinion.

Bringing Capital Back In, or Social Democracy Reconsidered: Employer Power, Cross-Class Alliances, and Centralization of Industrial Relations in Denmark and Sweden

By PETER SWENSON

The political domination of Social Democrats in Denmark and Sweden beginning in the 1930s was stabilized by the absence of intense opposition by capital to reformist programs aggressively opposed by business and the Right elsewhere in the world. This quiescence was not a symptom of weakness or dependency; rather, it was a product of a class-intersecting, cross-class alliance behind institutions of centralized industrial relations that served mutual interests of sectoral groupings dominating both union and employer confederations. Well-organized and militant, and backed by Social Democrats, employers in the two countries used offensive multi-industry lockouts to force centralization on reluctant unions. Analysis of these cross-class alliances and their pay-distributional objectives is used to challenge a widely held view that centralization and Social Democratic electoral strength are sources of power against capital. It also occasions a reassessment of conventional understandings of farmer-labor coalitions and the decline of industrial conflict in Scandinavia in the 1930s. According to the alternative view presented here, capital was included rather than excluded from these cross-class alliances, and industrial conflict subsided dramatically in part because employers achieved politically what they had previously tried to achieve with the lockout.

Specific Factors, Capital Markets, Portfolio Diversification, and Free Trade: Domestic Determinants of the Repeal of the Corn Laws

By CHERYL SCHONHARDT-BAILEY

Whereas the Ricardo-Viner specific factors model implies that owners of land and capital stood diametrically opposed to one another on the issue of free trade in nineteenth-century Britain, studies in the economic history literature posit that the economic interests of these two groups of factor owners were not mutually exclusive but rather overlapped as a result of rapid economic changes in the 1830s that intensified landowner diversification into nonagricultural ventures. Hence, the former views the repeal of the Corn Laws in 1846 as capital gaining the political upper hand over the landed elite, whereas the latter implies that landowners with diversified portfolios stood to gain from, or simply became indifferent to, free trade in grain. This paper alters the specific factors model to include the concepts of diversification and investment capital flows. It then tests the political implications of diversification, hypothesizing a positive correlation between constituency diversification and parlia-

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mentary voting on repeal of the Corn Laws. Both individual and aggregate sets of data confirm that diversified interests contributed to the free-trade policy outcome.

The People's Democratic Republic of Ethiopia: Masking and Unmasking Tragedy

By FORREST D. COLBURN

Recent scholarship on Ethiopia describes the central outline of events in the aftermath of the country's 1974 revolution. But the books that should be the most insightful, because of the theoretical ambitions of the authors, often disappoint because they obfuscate politics with abstract discussions of the "state." Three shortcomings of state theories are evident: they underestimate the impact of individual leaders, discount the content of ideology, and lead, disturbingly, to moral neutrality.

Nuclear Strategy and Nuclear Winter

By THEODORE RUETER and THOMAS KALIL

This essay explores the effect of the "nuclear winter" thesis upon the strategic debate. Both "hawks" and "doves" responded to the nuclear winter thesis in an ideological manner, illustrating the theological nature of the debate on nuclear strategy. Hawks used the nuclear winter data to argue for limited nuclear options, strategic modernization, environmentally sensitive weapons, and strategic defense. Doves used the same information to argue for mutual assured destruction, arms control, and/or global disarmament. Another group of analysts, the "pragmatic Center," exhibited a more flexible, subtle understanding of the nuclear dilemma.

Crisis and Democracy in Latin America

By PETER H. SMITH

Democratization in Latin America took place throughout the 1980s within a context of acute economic crisis, thus posing a sharp challenge to established theory. This essay examines alternative explanations—economic, political, institutional, international—for this paradoxical outcome. It is argued that the political impact of the debt crisis differs for the short, medium, and long terms. The analysis also devotes considerable attention to the concept of "democratization" and to the quality of Latin American democracies, which tend to contain pervasive authoritarian features. Careful reading of these phenomena can lay the foundation for new and enduring theoretical frameworks about the relationship between macroeconomic transformation and political change.

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PUBLIC OPINION, DOMESTIC STRUCTURE, AND FOREIGN POLICY IN LIBERAL DEMOCRACIES

By THOMAS RISSE-KAPPEN*

Introduction

HOW is it to be explained that similarly powerful states more often than not respond differently to the same international conditions and constraints? Efforts to answer this question lead inevitably to the study of the domestic sources of foreign policy and international politics. One issue, though, is rarely addressed by the available literature: Who is in charge of the foreign policy–making process in liberal democratic states? Elites or masses? Who influences whom? What is the policy impact of societal actors and public opinion? Are public attitudes on foreign affairs manipulated by the elites? Finally, if public attitudes follow similar patterns, what accounts for differences between various countries in the policy impact of public opinion?

This paper tries to shed light on the relationship between public opinion and the foreign policy of liberal democracies.[1] I will argue that the policy impact of public opinion does not depend so much on the specific

* Drafts of this paper were presented at the European Consortium of Political Research (ECPR) Workshop on "Public Opinion, Foreign Policy, and the Democratic Process," Bochum, West Germany, April 2–7, 1990, and at the Annual Convention of the International Studies Association, Washington D.C., April 10–14, 1990. For very valuable comments I thank Richard Eichenberg, Matthew Evangelista, Philip Everts, Kjell Goldmann, Paul Joseph, Claudia Kappen, Peter Katzenstein, Richard N. Lebow, David Meyer, Nobuo Okawara, Hans Rattinger, Bruce Russett, and the participants in the ECPR workshop. For their help and advice regarding public opinion data I thank Lisa Brandes and Richard Eichenberg.

[1] The paper is part of a growing body of literature. See, for example, Michael Barnett, "High Politics Is Low Politics: The Domestic and Systemic Sources of Israeli Security Policy, 1967–1977," *World Politics* 42 (July 1990), 529–62; Richard Eichenberg, *Public Opinion and National Security in Western Europe* (Ithaca, N.Y.: Cornell University Press, 1989); Matthew Evangelista, *Innovation and the Arms Race* (Ithaca, N.Y.: Cornell University Press, 1988); Gert Krell, *Rüstungsdynamik und Rüstungskontrolle: Die gesellschaftlichen Auseinandersetzungen um SALT in den USA 1969–1975* (Frankfurt am Main: Haag und Herchen, 1976); Richard N. Lebow, *Between Peace and War* (Baltimore, Md.: Johns Hopkins University Press, 1981); Jack S. Levy, "Domestic Politics and War," *Journal of Interdisciplinary History* 18 (Spring 1988), 653–73; Erwin Müller, *Rüstungspolitik und Rüstungskontrolle: Fall USA* (Baden-Baden: Nomos, 1985); Bruce Russett, *Controlling the Sword: The Democratic Governance of National Security* (Cambridge: Harvard University Press, 1990); and Eugene Wittkopf, *Faces of Internationalism: Public Opinion and American Foreign Policy* (Durham, N.C.: Duke University Press, 1990).

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issues involved or on the particular pattern of public attitudes as on the *domestic structure* and the *coalition-building processes* in the respective country. The paper analyzes the impact of public opinion on the foreign policy–making process in four liberal democracies with distinct domestic structures: the United States, France, the Federal Republic of Germany, and Japan. I will show that differences in political institutions, policy networks, and societal structures account for different foreign policy outcomes when the impact of the international environment is controlled for and public attitudes follow similar patterns across countries. Thus, the four countries responded differently to Soviet policies during the 1980s despite more or less comparable trends in mass public opinion. The analysis of the interaction between public opinion and elite coalition-building processes in the four countries reveals that the policy outcomes differ according to variances in domestic structures and not in the international status of the states.

Public Opinion and Foreign Policy: Theoretical Concepts and Methodological Problems

Who Follows Whom? Elites and Masses

Most of the available literature on the interaction between mass public opinion and elites in the foreign policy–making process of liberal democracies can be categorized according to two broad concepts.[2] In accordance with the pluralist theory of democracy, a "bottom-up" approach assumes that the general public has a measurable and distinct impact on the foreign policy–making process.[3] In sum, leaders follow masses. However, the bottom-up concept is difficult to reconcile with the following empirical counterevidence:

> —In Western Europe, the U.S., and Japan, elites and masses show similar support for basic foreign policy goals and institutions. Prevailing political, religious, and ideological cleavages structure elite as well as mass public opinion.[4]

[2] For excellent reviews of the debate, see Philip Everts and Arthur Faber, "Public Opinion, Foreign Policy, and Democracy" (Paper presented at the ECPR Workshop "Public Opinion, Foreign Policy, and the Democratic Process," Bochum, April 2–7, 1990); and Russett (fn. 1).

[3] See, e.g., Benjamin I. Page and Robert Y. Shapiro, "Effects of Public Opinion on Policy," *American Political Science Review* 77, no. 1 (1983), 175–90.

[4] For Western Europe, see Eichenberg (fn. 1), pt. 5. For the U.S., see Ole R. Holsti and James N. Rosenau, "The Domestic and Foreign Policy Beliefs of American Leaders," *Journal of Conflict Resolution* 32 (June 1988), 248–94; and Wittkopf (fn. 1). For Japan, see Davis Bobrow, "Japan in the World: Opinion from Defeat to Success," *Journal of Conflict Resolution* 33 (December 1989), 571–603.

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—There are many cases in which crucial foreign policy decisions have been taken in the absence of mass public consensus. Examples are the U.S. decisions in favor of an active international role in the postwar world and of becoming permanently involved in European security affairs; the West German decisions to rearm and join NATO in the early 1950s and to pursue an active *Ostpolitik* in the late 1960s; the French decisions to build an independent nuclear force in the 1950s and to leave NATO's military institutions in the mid-1960s.

Therefore, a second approach representing the conventional wisdom in the literature suggests a "top-down" process, according to which popular consensus is a function of the elite consensus and elite cleavages trickle down to mass public opinion. This viewpoint concurs with either a "power elite" (C. Wright Mills) or a state-centered and realist approach to foreign policy. It is assumed that the public is easily manipulated by political leaders, because of (1) the low salience, or significance, of foreign and security policy issues as compared with economic policies, (2) the low degree of knowledge about the issues involved, and (3) the volatility of public opinion.[5]

Again, empirical evidence suggests that these assumptions are questionable:

—While only a minority can be regarded as politically active, large portions of the public seem regularly to follow news about foreign policy in the media.[6] While domestic problems usually outweigh foreign and security issues in public salience, data reveal that substantial minorities consider foreign affairs among the most important problems facing their respective countries. On the average, 20–30 percent of the public indicate serious concern about foreign affairs.[7]

[5] See, e.g., Noam Chomsky and Edward Herman, *Manufacturing Consent* (New York: Pantheon, 1988); Benjamin Ginsberg, *The Captive Public: How Mass Opinion Promotes State Power* (New York: Basic Books, 1986); Barry Hughes, *The Domestic Context of American Foreign Policy* (San Francisco: Freeman, 1979); Michael Margolis and Gary Mauser, eds., *Manipulating Public Opinion: Essays on Public Opinion as a Dependent Variable* (Belmont, Calif.: Wadsworth, 1989); and James N. Rosenau, *Public Opinion and Foreign Policy* (New York: Random House, 1961).

[6] During election campaigns in the U.S., for example, the majority of the public was aware of the different foreign policy choices under debate and could identify the positions of the presidential candidates. See John H. Aldrich et al., "Foreign Affairs and Issue Voting: Do Presidential Candidates 'Waltz before a Blind Audience'?" *American Political Science Review* 83, no. 1 (1989), 123–41; Hans Rattinger, "Foreign Policy and Security Issues as Determinants of Voting Behavior in the 1988 U.S. Presidential Election" (Paper presented at the ECPR Workshop "Public Opinion, Foreign Policy, and the Democratic Process," Bochum, April 2–7, 1990). See also Thomas Graham, "The Pattern and Importance of Public Knowledge in the Nuclear Age," *Journal of Conflict Resolution* 32, no. 2 (1988), 319–34.

[7] For the U.S., see Tom W. Smith, "The Polls: America's Most Important Problem, Part I: National and International," *Public Opinion Quarterly* 49, no. 2 (1985), 264–74; for France, West Germany, and Japan, see Hastings and Hastings, eds., *Index to International Public Opinion, 1982–1983* (New York: Greenwood, 1984), 563; *and 1983–1984*, 689.

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—Public attitudes, at least on basic foreign policy issues, seem to be more stable than is usually assumed. A large percentage of the public does not change attitudes frequently. In sum, the public seems to be more rational and less open to elite manipulation than the top-down thesis asserts.[8]

—That leaders try to manipulate masses and that governments launch sophisticated propaganda campaigns only suggest that the elites take the power of the uneducated masses seriously and feel vulnerable to it. The very existence of state propaganda and efforts at "spin control" belies the "power elite" hypothesis.

In addition to these empirical problems, the bottom-up and the top-down models both suffer from conceptual shortcomings. First, they treat masses and elites as unitary actors. While certain segments of the public may be manipulated by government propaganda, others may resist efforts to influence them.[9] One should at least distinguish between (1) *mass public opinion*, (2) the *attentive public*, which has a general interest in politics, and (3) *issue publics*, which are particularly attentive to specific questions. Moreover, elites are themselves frequently divided, and different segments of the elite try to convince the general public of their respective viewpoints.[10]

Second, a simplistic view of either bottom-up or top-down processes tends to ignore that public opinion and societal groups may influence the policy-making process in several ways and at different stages. They can directly affect the choices of top decision makers by changing policy goals or how those goals are prioritized, by narrowing the range of options and/or means to implement goals, or by winning symbolic concessions in the sense of changed rhetoric rather than policy reforms. Moreover, the public may also indirectly affect policies by influencing the coalition-building processes among the elites. It can strengthen or weaken the positions of bureaucracies or single actors within the government. Public

[8] Robert Shapiro and Benjamin I. Page, "Foreign Policy and the Rational Public," *Journal of Conflict Resolution* 32, no. 2 (1988), 211–47. For data, see Eichenberg (fn. 1); Gregory Flynn and Hans Rattinger, eds., *The Public and Atlantic Defense* (London: Croom Helm, 1985); Thomas Graham, *American Public Opinion on NATO, Extended Deterrence, and Use of Nuclear Weapons* (Cambridge: Center for Science and International Affairs, Harvard University, 1989); and Russett (fn. 1), chap. 4.

[9] For example, the well-documented "rally around the flag" effect, according to which presidents can use military interventions to raise their popular support, applies only to a minority of the U.S. population and does not last very long. See Russett (fn. 1), 34–51. For the original study on the effect, see John Mueller, *War, Presidents, and Public Opinion* (New York: Wiley, 1973). For a general argument regarding elite-public interactions, see Paul Joseph, *Realizing the Peace Dividend: The End of the Cold War and the Emergence of Progressive Politics* (forthcoming), chap. 4.

[10] For a discussion of the cleavages in U.S. public and elite opinion, see Michael Mandelbaum and William Schneider, "The New Internationalism: Public Opinion and American Foreign Policy," in Kenneth Oye et al., eds., *Eagle Entangled: U.S. Foreign Policy in a Complex World* (New York: Longman, 1979), 34–90; and Wittkopf (fn. 1).

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opinion and the activities of public interest groups may lead to changes and/or realignments within or between political organizations such as parties. These indirect effects on policy are difficult to trace and are therefore easily overlooked. However, their impact may be as important as the above-mentioned direct influences.

Finally, it cannot be assumed that public and elite opinion interact with each other and are transformed into policy decisions in the same way across different countries. In other words, similarities in public attitudes across various countries do not necessarily lead to similar policies. Public attitudes and policies toward nuclear weapons provide a good example. The patterns of mass public opinion in the U.S., Western Europe, and Japan are more or less similar. Nuclear weapons are mostly tolerated for their deterrent value, provided that arms control efforts are underway. Attitudes become increasingly hostile if nuclear use in wartime situations is contemplated. Throughout the cold war, "first use" of nuclear weapons had only minority support in the U.S., France, West Germany, and Japan.[11]

However, for all these similarities in public attitudes, the nuclear policies of the four countries have differed from one another. Japan has had the strongest antinuclear policy in place since the late 1960s. The Federal Republic of Germany changed from an outspoken supporter of U.S. extended deterrence and "coupling" to a strong advocate of nuclear arms control. The United States emphasized arms control in the 1970s, turned to a massive arms buildup during Ronald Reagan's first term, and returned to arms control from the mid-1980s on. Finally, France has pursued the most pronuclear policy of the four countries and has refused so far to take part in nuclear arms control.

The variations in policies are in part a result of different positions and capabilities in the international environment (for example, the nuclear status of France and the U.S. as compared with that of Japan and Germany). However, while the frequent changes in United States arms-control policies might be considered to be reactions to changes in the "threat environment" (Soviet arms buildup in the 1970s; Soviet intervention in Afghanistan; the "Gorbachev revolution"), French policy seems to remain largely unaffected by either external or internal factors. The change in West German policies even runs counter to what one would expect from looking solely at the "threat environment" such as the Soviet

[11] For data regarding the U.S., see Graham (fn. 8); and Russett (fn. 1), 57–65; regarding Western Europe, see Eichenberg (fn. 1), chap. 4; and Stephen Szabo, "West European Public Perceptions of Security Issues" (Manuscript, prepared for the USIA, July 1988); for Japan, see Bobrow (fn. 4).

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arms buildup of the late 1970s. The stability of Japanese nuclear policies, while in line with public attitudes, is also not explicable in terms of changes in the country's international environment.

The Missing Link: Domestic Structures and Coalition-building Processes

If, first, public attitudes as such cannot account for differences in policies and, second, variations in the international environment do not explain them either, what is the missing link between mass public opinion and elite decisions in foreign and security policy? It is suggested here that one has to look at *domestic structures* and *coalition-building processes* to understand the impact of public opinion on the foreign policy of liberal democracies.[12]

Domestic structure approaches deal with the nature of the political institutions (the "state"), basic features of the society, and the institutional and organizational arrangements linking state and society and channeling societal demands into the political system. In other words, domestic structures determine how political systems respond to societal demands. Social movement research talks about "political opportunity structures."[13]

Several approaches can be distinguished. The first focuses on *state institutions* and has found its most prominent expression in the concept of "strong" and "weak" states. It emphasizes the degree of centralization of state institutions and the ability of political systems to control society and to overcome domestic resistance.[14] Weak states have fragmented political institutions and are open to pressures by societal interest groups and political parties. Their ability to impose policies on society and to extract resources from it is fairly limited. Strong states, by contrast, con-

[12] For a similar argument focusing on the effects of party systems and electoral rules, see Eichenberg (fn. 1), 235–41.

[13] See, for example, Herbert P. Kitschelt, "Political Opportunity Structures and Political Protest: Anti-Nuclear Movements in Four Democracies," *British Journal of Political Science* 16 (January 1986), 57–85; and Sidney Tarrow, *Struggle, Politics, and Reform: Collective Action, Social Movements, and Cycles of Protest* (Ithaca, N.Y.: Center for International Studies, Cornell University, 1989). For an overview, see David Meyer, "Peace Movements and National Security Policy: An Agenda for Study" (Paper prepared for the Annual Meeting of the American Political Science Association, Atlanta, Ga., August 31–September 3, 1989).

[14] The concept was originally developed by Peter Katzenstein, "International Relations and Domestic Structures: Foreign Economic Policies of Advanced Industrial States," *International Organization* 30 (Winter 1976), 1–45; Stephen Krasner, *Defending the National Interest: Raw Materials, Investments, and U.S. Foreign Policy* (Princeton: Princeton University Press, 1978). For more recent discussions, see Michael Mastanduno et al., "Toward a Realist Theory of State Action," *International Studies Quarterly* 33 (December 1989), 457–74; and G. John Ikenberry, "Conclusion: An Institutional Approach to American Foreign Economic Policy," *International Organization* 42 (Winter 1988), 219–43.

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sist of centralized political institutions with strong bureaucracies; they are able to resist public demands and to preserve a high degree of autonomy vis-à-vis society.

However, the "strong versus weak states" distinction, while parsimonious, is too simplistic to account for the variations between domestic structures. Weak states like the U.S. are sometimes able to conduct highly efficient policies, whereas strong systems might not always pursue forceful and energetic foreign policies.[15] Moreover, institutionalist approaches have been challenged as apolitical and therefore unable to explain specific policy outcomes. Rather than emphasizing state structures, one should analyze the *coalition-building processes* within societies and political systems.[16] These approaches focus on the "policy networks," that is, the mechanisms and processes of interest representation by political parties and interest groups that link the societal environment to the political systems. This concept emphasizes the ability of political actors to build consensus among the relevant elite groups in support of their policies.[17]

Simply to set off the coalition argument against the institutionalist approach seems to be inappropriate, though. On the one hand, state structures do not determine the specific content or direction of policies. On the other hand, coalition building takes place in the framework of political and societal institutions. The structures of the society and the political system determine the size and strength of policy coalitions needed to create the support basis for specific policies. Domestic structures also seem to account for general features of foreign policies, the degree of stability as well as the level of activity and commitment.[18]

In sum, a "mixed" approach encompassing both institutional structures and coalition-building processes seems to be more appropriate. In

[15] See, for example, G. John Ikenberry, "The Irony of State Strength: Comparative Responses to the Oil Shocks in the 1970s," *International Organization* 40 (Winter 1986), 105–37. See also the special edition of *International Organization* 42 (Winter 1988), "Approaches to Explaining American Foreign Economic Policy."

[16] Peter Gourevitch, "The Second Image Reversed: The International Sources of Domestic Politics," *International Organization* 32 (Autumn 1978), 881–911, at 904.

[17] For coalition-building approaches, see, e.g., Ernst-Otto Czempiel, *Amerikanische Außenpolitik* (Stuttgart: Kohlhammer, 1979); Joe D. Hagan, "Regimes, Political Oppositions, and the Comparative Analysis of Foreign Policy," in C. F. Hermann et al., eds., *New Directions in the Study of Foreign Policy* (Boston: Allen and Unwin, 1987), 339–65; Helen Milner, *Resisting Protectionism: Global Industries and the Politics of International Trade* (Princeton: Princeton University Press, 1988); Thomas Risse-Kappen, *Die Krise der Sicherheitspolitik: Neuorientierungen und Entscheidungsprozesse im politischen System der Bundesrepublik Deutschland, 1977–1984* (Mainz-Munich: Grünewald-Kaiser, 1988); and Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton: Princeton University Press, 1989).

[18] See Hagan (fn. 17).

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their later works Peter Gourevitch and Peter Katzenstein, who had previously argued about the respective merits of institutionalist versus coalition-building concepts, both moved toward combined approaches that basically emphasized three factors:[19]

1. The nature of the *political institutions* and the degree of their centralization: Is executive power concentrated in the hands of one decision maker (president, prime minister, chancellor) who controls the bureaucratic infighting among governmental agencies? To what extent can the government control the legislative process?

2. The *structure of society* regarding its polarization, the strength of social organization, and the degree to which societal pressure can be mobilized: How heterogeneous is the society in terms of ideological and/or class cleavages? How well developed are social coalitions and organizations in their ability to express grievances and raise demands?

3. Finally, the nature of the coalition-building processes in the *policy networks* linking state and society:

   a. In countries with centralized political institutions but polarized societies and rather weak social organizations, the policy network is likely to be *state-dominated*. The policy-relevant coalition building would then be restricted to the political elites and would more or less exclude societal actors and/or public opinion.

   b. By contrast, *societal control* of the policy network is to be expected in countries with comparatively homogeneous societies and a high degree of societal mobilization but weak state structures. The policy-relevant coalition building would take place among societal actors; accordingly, public opinion would play a major role.

   c. Countries with political institutions and social organizations of comparable strength are likely to have a policy network characterized by *democratic corporatism*. Political and societal actors would be engaged in continuous bargaining processes in search of policy compromises in an environment of give-and-take.[20] As a result, some sorts of middle-of-the-road-policies are to be expected, reflecting the common denominator of public opinion.

The Impact of Public Opinion in Four Liberal Democracies

The United States, France, Germany, and Japan are characterized by distinct domestic structures. I argue that these differences largely account

[19] See Peter Gourevitch, *Politics in Hard Times* (Ithaca, N.Y.: Cornell University Press, 1986); Peter Katzenstein, "Introduction" and "Conclusion," in Katzenstein, ed., *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States* (Madison: University of Wisconsin Press, 1978), 3–22, 295–336; and idem, *Small States in World Markets* (Ithaca, N.Y.: Cornell University Press, 1985).

[20] For the concept of "democratic corporatism," see Peter Katzenstein, *Corporatism and Change* (Ithaca, N.Y.: Cornell University Press, 1984); and Katzenstein (fn. 19, 1985). See also Philippe Schmitter and Gerhard Lehmbruch, eds., *Trends towards Corporatist Intermediation* (Beverly Hills, Calif.: Sage, 1979).

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for the variations in the impact of public opinion on foreign and security policy. And I test this proposition by discussing the various responses to changes in Soviet foreign policy from the late 1970s to the late 1980s (from Brezhnev to Gorbachev).

The Domestic Structures of the United States, France, Japan, and the Federal Republic of Germany

POLITICAL INSTITUTIONS

The U.S. undoubtedly has the most decentralized foreign and security policy-making structure of the four countries. The built-in tensions within the executive between the Pentagon, the State Department, and the National Security Council, which lead to continuous infighting over defense and arms-control policies, are well documented. Moreover, Congress has more authority over the conduct of foreign policy than do most other Western parliaments due to (1) the weakness of the American party system, which severely limits the power of the executive over congressional decisions and (2) institutional provisions such as the two-thirds majority requirement for the ratification of international treaties.

The very different French political structure consists of the strongest state institutions of the four countries. The Fifth Republic institutionalized a centralized political system that all presidents since de Gaulle have reinforced. The power of the French bureaucracy enhances the strength of the executive.[21] This general feature of the French political system is particularly relevant for foreign and defense policy-making, the *domaine réservée* of the president.[22] Furthermore, the French Parliament—in striking contrast to the U.S. Congress—plays an almost negligible role in foreign policy. In sum, the centralization of the French decision-making apparatus seems to be even greater in foreign policy than in other issue-areas.

Japan resembles the French case insofar as its political system is usually described as a strong state. Indeed, the power of the state bureaucracy extends into foreign affairs. However, the Foreign Ministry, which dominates Japanese foreign and security policy and outweighs the De-

[21] See Vincent Wright, *The Government and Politics of France* (New York: Holmes and Meier, 1978). On the role of the bureaucracy in French foreign policy, see Mark B. Hayne, "The *Quai d'Orsay* and the Formation of French Foreign Policy in Historical Context," in Robert Aldrich and John Connell, eds., *France in World Politics* (London: Routledge, 1989), 194–218.

[22] See Alfred Grosser, *Affaires extérieures: La politique de la France, 1944–1984* (Paris: Flammarion, 1984), 151–54. For a critical analysis of the institutions of French foreign policy, see Samy Cohen, *La monarchie nucléaire: Les coulisses de la politique étrangère sous la V^e^ République* (Paris: Hachette, 1986).

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fense Agency, usually cannot compete internally with the Ministry of International Trade and Industry (MITI) or the Ministry of Finance.[23] The distribution of power within the government thus reflects the predominance of economic over defense issues in Japanese foreign policy. While the Japanese parliament, the Diet, plays only a minor role in foreign affairs, the Liberal Democratic Party (LDP), which has controlled the government since 1955, is among the most important actors in Japanese foreign policy.[24]

In the Federal Republic of Germany executive control over foreign and defense policy is generally stronger than in the U.S.[25] With the exception of the 1972 ratification process concerning the treaties with Eastern Europe and the Soviet Union (*Ostpolitik*), the role of Parliament has been fairly limited. This weakness, however, does not simply result in strengthening executive power as in France. Rather, the political parties constrain both the legislative *and* the executive branches. Partly as a result of peculiar election procedures,[26] the party system is smaller and less polarized than in France. The ruling parties in coalition governments must engage in constant consensus building on major foreign policy decisions. "Party democracy" permeates the government bureaucracy insofar as internal divisions since the mid-1960s are usually related to the party affiliation of the respective minister rather than to traditional bureaucratic roles.[27]

STRUCTURE OF THE SOCIETY

In sharp contrast to its centralized political system, French society is usually described as fragmented along ideological, religious, and class lines.[28]

[23] See Reinhold Drifte, *Japan's Foreign Policy* (London: Chatham House Papers, Royal Institute of International Affairs, 1990), 21–24; Haruhiro Fukui, "Policy-making in the Japanese Foreign Ministry," in R. A. Scalapino, ed., *The Foreign Policy of Modern Japan* (Berkeley: University of California Press, 1977), 3–35; and Gaston J. Sigur, "Power, Politics, and Defense," in J. H. Buck, ed., *The Modern Japanese Military System* (Beverly Hills, Calif.: Sage, 1975), 181–95.

[24] For details, see Hans Baerwald, "The Diet and Foreign Policy," in Scalapino (fn. 23), 37–54; and John Welfield, *An Empire in Eclipse: Japan in the Postwar American Alliance System* (London: Athlone Press, 1988).

[25] See Helga Haftendorn, ed., *Verwaltete Außenpolitik* (Cologne: Wissenschaft und Politik, 1978); and Barry Blechman et al., *The Silent Partner: West Germany and Arms Control* (Cambridge, Mass.: Ballinger, 1988), 27–60. On the German domestic structure in general, see Peter Katzenstein, *Policy and Politics in West Germany* (Philadelphia: Temple University Press, 1989).

[26] In particular, the proportionate vote combined with the provision that a party has to gain at least 5% of the votes nationwide in order to be represented in the Parliament.

[27] Thus, unlike the U.S. case, where hawks and doves are usually represented along bureaucratic roles, the party affiliation of the minister determines the policy direction of the Foreign Office as compared with that of the Ministry of Defense.

[28] After all, the strong state institutions of the Fifth Republic were intended to counterbal-

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While this polarization has declined considerably over the past ten years (partly as a result of the French Left taking over the presidency),[29] the weakness and fragmentation of the French social organizations is still striking. (Compare, for example, the ideological divisions between the numerous French trade unions with the unified strength of the German Federation of Trade Unions [*Deutscher Gewerkschaftsbund*].) This general description extends into the foreign policy area.

French mass public opinion is more divided on security policy than is that of most other Western European nations. The divisions are strongest along party lines, which in turn reflect ideological cleavages between the Left and the Right. Concerning attitudes on defense spending, for example, supporters of the French Socialist Party (PSF) have been more than 20 percentage points apart from adherents of the Gaullist Party (RPR), whereas the respective gap between supporters of the German Social Democrats (SPD) and of the Christian Democrats (CDU/CSU) was only 10–15 points.[30] Moreover, the opposition to the French defense policy was never able to mobilize much societal support. Although a majority of the French public rejected the independent nuclear force well into the 1970s, this opposition never manifested itself in strong peace movements, as has frequently been the case in the U.S., West Germany, and Japan.[31]

Compared with France, Japan seems to be an almost homogeneous society in which the achievement of social consensus ranks among the highest cultural values. Accordingly, mass public opinion on foreign policy is among the most stable and most consistent of all industrialized democracies.[32] Moreover, Japanese society, in particular the business community, is highly organized. In the security policy area, for example, the defense industry can marshal strong institutions to further its interests. On the other side of the spectrum, the Japanese peace movements have also been well organized, particularly during the 1950s and 1960s, and have maintained strong links to trade unions and left-wing opposition parties.[33] In 1960, for example, the renewal of the Mutual Security

ance the divisions of French society. See Douglas E. Ashford, *Policy and Politics in France: Living with Uncertainty* (Philadelphia: Temple University Press, 1982).

[29] See Paul Godt, ed., *Policy-making in France: From de Gaulle to Mitterrand* (London: Pinter, 1989).

[30] Data for 1979–83 are in Eichenberg (fn. 1), 186–87. For further evidence, see Eichenberg, 68, 141, 147, 189.

[31] See Jolyon Howorth, *France: The Politics of Peace* (London: Merlin Press, 1984).

[32] For data, see Bobrow (fn. 4); and James A. A. Stockwin, "Japanese Public Opinion and Policies on Security and Defence," in Ronald Dore and Radha Sinha, eds., *Japan and World Depression* (New York: St. Martin's Press, 1987), 111–34.

[33] For details, see Reinhold Drifte, *Arms Production in Japan* (Boulder, Colo.: Westview

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Treaty with the U.S. led to the most serious political crisis in postwar Japan, as peace movements, opposition parties, and trade unions launched a massive campaign against the treaty, including the largest strikes in Japanese history.

In general, American society resembles French society more than Japanese society in terms of class divisions and ideological cleavages. Again, this has repercussions in foreign and security policy. As Eugene Wittkopf and others have shown, the bifurcation of the American people into "militant internationalists" and "cooperative internationalists" is strongly correlated with ideological divisions between conservatives and liberals and, to a lesser extent, with partisanship; the cleavages have increased since the 1970s.[34] Nevertheless, the ability of societal actors to mobilize support for their demands and to organize themselves seems to be greater in the U.S. than in France. One only has to mention the significant power of the American defense industry, as well as the importance of countervailing public interest groups lobbying for arms control and disarmament.[35]

German society seems to be less fragmented than either U.S. or French society in terms of ideological and class cleavages. Moreover, the country enjoys comparatively strong social organizations and a high level of participation in those associations. The three most important and centralized social organizations—business, trade unions, and churches—never hesitate to speak out on foreign and security issues, usually on the dovish side of the debate. The peace movements of both the 1950s and the 1980s were able to overcome their internal divisions and create strong coordinating mechanisms.[36]

POLICY NETWORKS

Concerning the policy networks, the American system seems to come closest to the society-dominated type. Constant building and rebuilding of coalitions among societal actors and political elites is fairly common

Press, 1986), 21–29; Kai Fabig, *Japan: Wirtschaftsriese—Rüstungszwerg* (Bochum: Studienverlag Brockmeyer, 1984); and Welfield (fn. 24), 434–41.

[34] Wittkopf (fn. 1), 34–36, 44–49. In fact, the ideological cleavages are deeper than those in the sociodemographic realm. See also Rattinger (fn. 6).

[35] On the U.S. armaments industry, see, e.g., Gordon Adams, *The Politics of Defense Contracting: The Iron Triangle* (New York: Council on Economic Priorities, 1981); Fen O. Hampson, *Un-guided Missiles: How America Buys Its Weapons* (New York: W. W. Norton, 1989); on the U.S. peace movements, see David S. Meyer, *A Winter of Discontent: The Nuclear Freeze and American Politics* (New York: Praeger, 1990); and Frances B. McCrea and Gerald E. Markle, *Minutes to Midnight: Nuclear Weapons Protest in America* (Newbury Park, Calif.: Sage, 1989).

[36] For the 1980s, see Risse-Kappen (fn. 17). For the 1950s, see Marc Cioc, *Pax Atomica: The Nuclear Defense Debate in West Germany during the Adenauer Era* (New York: Columbia University Press, 1988).

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even in foreign and security policy. The openness of the political system provides the society with comparatively easy access to the decision-making process. Accordingly, corporatist structures such as the military-industrial complex linking business, military, and political interests have only a limited impact on foreign policy decisions beyond the weapons-procurement process and demands for a certain level of defense spending.[37]

The policy network in France, by contrast, seems to be almost completely dominated by the state and, above all, the presidency, particularly concerning foreign and defense policy. Even when Socialist President Mitterrand was forced into "cohabitation" with a Conservative government from 1986 to 1988, he continued to control the foreign policy–making process.[38] State dominance in the policy network is facilitated by the famous French "defense consensus" among the elites and all political parties in support of French independence in world politics and of the *force de dissuasion*. As a result, the French foreign policy–making process has been described as that of a "nuclear monarchy."[39]

Differing from the French and U.S. cases, the situation of the Germans and Japanese resembles the corporatist model. In the Federal Republic the party system not only permeates the state institutions, but it also forms the most important link between society and the political system. The two major parties—the Christian Democratic Union (CDU) and the Social Democratic Party (SPD)—are essentially catchall organizations that integrate rather divergent societal demands. Sometimes intraparty divisions are greater than the cleavages between parties, as was the case with the CDU and *Ostpolitik* during the 1970s and with the SPD and deterrence during the 1980s. Additionally, institutional arrangements as well as the political culture emphasize consensus building and the mutually beneficial reconciliation of diverging societal interests (*Interessenausgleich*). There is a clear analogy between the domestic emphasis on social partnership and a foreign policy trying to achieve its goals by security partnership with Germany's neighbors.[40]

Consensus building is of similar and probably even greater importance

[37] This, at least, is the finding of various studies. See, for example, Stephen Rosen, ed., *Testing the Theory of the Military Industrial Complex* (Lexington, Mass.: Lexington Books, 1973); Krell (fn. 1); and Müller (fn. 1). On the military procurement process, see Hampson (fn. 35).

[38] See Phillippe G. LePrestre, "Lessons of Cohabitation," in LePrestre, ed., *French Security Policy in a Disarming World* (Boulder, Colo.: Lynne Rienner, 1989), 15–47.

[38] See Philippe G. LePrestre, "Lessons of Cohabitation," in LePrestre, ed., *French Security* Howorth and Patricia Chilton, eds., *Defence and Dissent in Contemporary France* (London: Croom Helm, 1984).

[40] A content analysis of party and government documents for 1977–84 showed that "international cooperation" was by far the most frequently mentioned foreign policy objective. See Risse-Kappen (fn. 17).

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in Japan. The need to bring almost every relevant player into the decision-making process and to strike a balance between different views is frequently cited as a major reason that Japanese foreign policy seems so slow moving and low-key.[41] However, to portray the Japanese policy network as "corporatism without labor"—that is, having strong and intimate linkages between the state bureaucracy, the LDP, and big business[42]—does not seem to make as much sense in security policy. A military-industrial complex that includes the Defense Agency and the weapons industry, while having increased its role during the defense buildup of the 1980s,[43] by no means dominates Japanese security policy. Even more than in the West German case, the legacy of World War II prevented the rise of a new Japanese militarism. A firm national consensus including all relevant elite factions, the opposition, and society insures that Japanese security policy has been first and foremost a matter of foreign economic policy. As a result, military policy seems to be one issue-area in Japanese politics that does not systematically exclude labor and the Left from the policy-making process, at least not since the 1960 Security Treaty crisis.

Table 1 summarizes the similarities and differences in the domestic structures of the four liberal democracies under consideration here.

TABLE 1
DOMESTIC STRUCTURES

	U.S.A.	*W. Germany*	*Japan*	*France*
Political system	decentralized	intermediate level of centralization	intermediate level of centralization	centralized
Society	heterogeneous, weak organizations	heterogeneous, strong organizations	homogeneous, strong organizations	heterogeneous, weak organizations
Policy network	society-dominated	democratic, corporatist	quasi-corporatist	state-dominated

[41] On the importance of consensus building in Japanese politics and particularly in foreign policy, see Takeshi Ishida, *Japanese Political Culture* (New Brunswick, N.J.: Transaction Books, 1983), 3–22; Douglas Mendel, "Public Views of the Japanese Defense System," in Buck (fn. 23), 150; and Scalapino (fn. 23), xv–xviii.

[42] See, for example, T. J. Pempel, *Politics and Policy in Japan: Creative Conservatism* (Philadelphia: Temple University Press, 1982). For a critique of this analysis evaluating public policy in Japan as a more open process, see Kent Calder, *Crisis and Compensation: Public Policy and Political Stability in Japan, 1949–1986* (Princeton: Princeton University Press, 1988).

[43] See Drifte (fn. 33).

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The comparison leads to several assumptions about the impact of public opinion on foreign policy in the four countries. The comparatively open and decentralized American political system and its society-dominated policy network should provide public opinion with ample opportunity to affect policy outcomes. In short, the interaction of public opinion and elites in the decision-making process is expected to come comparatively close to the bottom-up model. In contrast to the U.S. case, French public opinion is likely to play only a marginal role in the foreign policy–making process. The Fifth Republic's centralized political system and a fragmented societal structure make it difficult to build a public consensus on policy issues and would be expected to limit the public impact on foreign and security policy. The German domestic structure, in which comparatively strong state institutions deal with well-organized societal actors in a democratic corporatist network, suggests that public opinion influences foreign policy mainly through the party system and that interactive patterns prevail between elites and masses. Finally, the Japanese case is expected to resemble Germany insofar as both countries possess strong political institutions and corporatist policy networks. There is a difference, however; Japanese society is more homogeneous than German society, and the public has been less divided on foreign and security policy issues.

Withering Threat: Public Opinion Reactions to Soviet Foreign Policy, 1980–90

To isolate the role of domestic structures as the intervening variable between public opinion and policy decisions requires a case in which the influence of the international environment appears constant for the four countries and in which under ideal conditions public attitudes are also more or less similar. From the late 1970s to the late 1980s the four countries were exposed to a drastically changing Soviet policy. Moscow's conventional and nuclear arms buildup of the 1970s was followed by the intervention in Afghanistan and the stalemate in superpower arms control during the early 1980s. From 1985–86 on the new Soviet leader, Mikhail Gorbachev, initiated the politics of *perestroika*, which resulted in a turnaround of Soviet security policy toward "common security." Moscow accepted the zero option for intermediate-range nuclear forces (INF), withdrew its troops from Afghanistan, announced unilateral troop cuts in Europe, and finally revoked the Brezhnev doctrine of limited sovereignty for Eastern Europe, thereby triggering the democratic revolutions of 1989. How did mass public

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opinion in the four countries perceive these drastic changes in Soviet foreign policy?[44]

Figure 1 reveals that, with the exception of Japan, the public perception of a Soviet threat declined from unusually high levels in the early 1980s to its virtual disappearance in the late 1980s. The initial public reaction to Soviet actions in the late 1970s and early 1980s, particularly the intervention in Afghanistan, was unanimously hostile and negative. While the most dramatic change from a very high degree of threat perception occurred in the U.S., the West Germans were the first to react positively to the turnaround of Soviet foreign policy. In 1986, that is, during the very first year of Gorbachev's "peace offensive" and one year *before* the INF treaty (which particularly affected German security) was concluded, a majority became convinced that the Soviet threat had disappeared. The threat as perceived by the French declined in 1987–88, whereas it was only in late 1988 that more than 50 percent of Americans thought that the Soviet threat had withered away. Finally, the "Gorbachev revolution" apparently did not affect Japanese public opinion. Not only did comparatively more Japanese perceive a Soviet threat throughout the 1980s, but the percentage remained high even in 1987–88.

This evaluation is confirmed by an opinion poll taken immediately after the Washington summit in December 1987 at which the INF treaty was signed. Seventy-three percent of the Germans, 55 percent of the Americans, 54 percent of the French, but only 34 percent of the Japanese thought that the Soviet Union was becoming a more trustworthy nation as a result of the reforms initiated by Gorbachev.[45] Thus, the Germans appeared to be the most enthusiastic supporters of Gorbachev, while the Japanese remained unaffected by the new Soviet foreign policy, and the Americans and the French were in between.

How did the changes in threat perceptions translate into attitudes on how to deal with the Soviet Union? The data reveal a major difference between public opinion trends in the United States as compared with those in France, Germany, and Japan. Only in the U.S. did the negative reaction to Moscow's policies during the late Brezhnev era result in in-

[44] The following data are taken from a variety of opinion polls. Although I have tried to use as many comparable data as possible, the wording of questions sometimes differed considerably from country to country. As a result, a note of caution is appropriate regarding the interpretation of these data. For example, I will refrain from analyzing minor changes in percentage. Also, I can only present here data on the aggregate level of overall mass public opinion. For comprehensive studies with breakdowns according to age, education, and political orientation, see Eichenberg (fn. 1); and Wittkopf (fn. 1).

[45] Data in Hastings and Hastings, eds., *Index to International Public Opinion, 1987–1988* (New York: Greenwood, 1989), 574.

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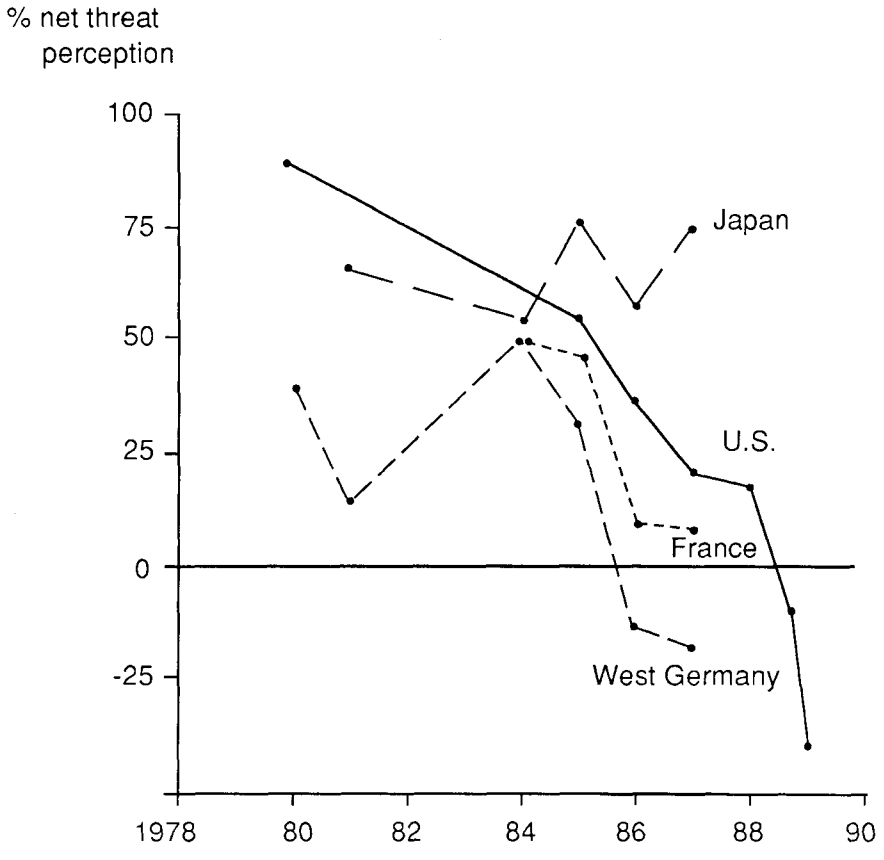

FIGURE 1
NET THREAT PERCEPTION OF THE USSR[a]

SOURCES: U.S.: *Americans Talk Security*, no. 12 (1989), 58; CBS/*New York Times* polls; France: USIA polls; Michel Girard, "L'opinion publique et la politique extérieure," *Pouvoirs*, no. 51 (1989); Szabo (fn. 11); West Germany: Hans Rattinger, "The INF Agreement and Public Opinion in West Germany" (Manuscript, March 1988); Gebhard Schweigler, *Grundlagen der aussenpolitischen Orientierung der Bundesrepublik Deutschland* (Baden-Baden: Nomos, 1985), 183; Szabo (fn. 11); Japan: Hastings and Hastings, *Index to International Public Opinion, 1981–1982ff.* (New York: Greenwood, 1983ff.).

[a] "Net threat perception" is defined as the percentage of those perceiving *a Soviet threat* minus the percentage of those perceiving *no threat*.

creasing support for hawkish policies. From late 1979 to early 1981 a majority of Americans favored increases in defense spending (see Figure 2) and opposed the ratification of the SALT II treaty. However, the support for a tougher stance disappeared as quickly as it had emerged. By mid-1981, 65 percent of Americans favored the resumption of nuclear arms talks. By 1982 support for increased defense spending was back at the

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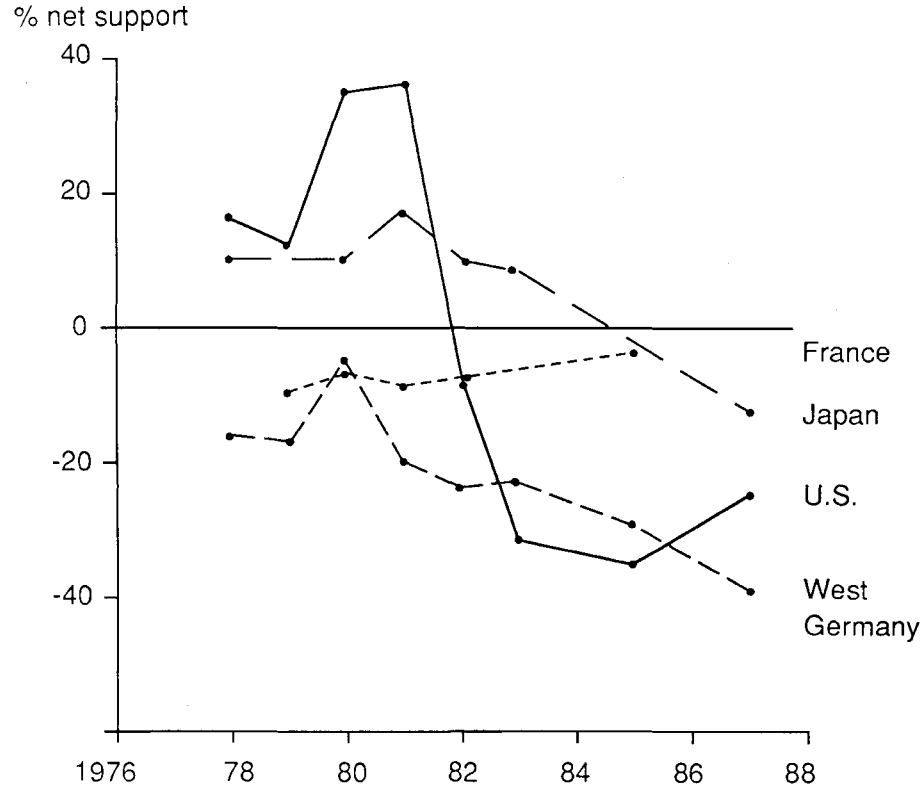

FIGURE 2
NET SUPPORT FOR DEFENSE SPENDING[a]

SOURCES: U.S.: CBS/*New York Times* polls; Sean M. Lynn-Jones, "Lulling and Stimulating Effects of Arms Control," in A. Carnesale and R. Hass, eds., *Superpower Arms Control* (Cambridge, Mass.: Ballinger, 1987), 237; France and West Germany: Eichenberg (fn. 1), 161–62; Japan: Hastings and Hastings, *Index to International Public Opinion, 1979–1980ff.* (New York: Greenwood, 1981ff.).

[a] "Net support for defense spending" is defined as the percentage of those favoring *increases* in defense spending minus the percentage of those supporting defense *reductions*. The graph plots change rather than continuity, since it does not include those who favored "leaving the defense budget as it is."

1978 level; at the same time, a near consensus emerged in the U.S. mass public regarding a bilateral freeze of the superpowers' nuclear arsenals.[46] It should be noted that these attitude changes occurred *before* Gorbachev assumed power. They might be explicable by the "politics of opposites" as described by Miroslav Nincic, who suggested that U.S. policies that

[46] Data on support for nuclear arms control are taken from various U.S. polls on file at the Yale Public Opinion Research Project, New Haven.

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are either too dovish or too hawkish toward the Soviet Union would be opposed by the public mainstream.[47]

Compared with the shifts in U.S. public opinion, French, German, and Japanese public opinion has been far more stable in support of or in opposition to specific policies. This is most obvious in the attitudes toward defense spending, which remained largely unaffected by the changes in Soviet policy (see Figure 2). From the late 1970s to the mid-1980s a majority of Germans preferred a stable defense budget; the number favoring reductions increased in the late 1980s. The same applies roughly for the French and the Japanese, although comparatively more Japanese than Germans advocated an increased defense budget. In sum, however, the perceived Soviet threat prior to Gorbachev did not result in demands for a military buildup in the three countries.

If anything, the Japanese were more hawkish than the French and the Germans during the early 1980s. In 1981, 31 percent maintained that a military balance was the most important source of security, while only 12 percent and 8 percent believed in détente and arms control, respectively. Two years later, however, Japanese public opinion was back in line with the French and West Germans, who had always thought that détente and/or arms control were more important than maintaining a military balance with the Soviet Union.[48] A particularly interesting finding is revealed by a 1984 Japanese poll. Fifty-nine percent of those who perceived the USSR as a threat nevertheless favored the improvement of peaceful diplomatic relations between the two countries, as compared with only 21 percent who wanted to strengthen military security.[49] In sum, the public consensus in Japan on basic foreign policy problems emphasizing economic strength as well as peaceful diplomacy remained largely intact throughout the 1980s.

West German public opinion came out as the most dovish throughout the decade. In sharp contrast to the Americans, 74 percent of the Germans continued to support détente and *Ostpolitik* in the midst of the Afghanistan crisis in early 1980. Nuclear-arms-control efforts such as the zero option for INF enjoyed near consensus in the 70–90 percent range.[50]

[47] See Nincic, "The United States, the Soviet Union, and the Politics of Opposites," *World Politics* 40 (July 1988), 452–75; and idem, "U.S. Soviet Policy and the Electoral Connection," *World Politics* 42 (April 1990), 370–96. However, the "politics of opposites" seems to be a unique U.S. phenomenon. A similar cycle is not observable in the three other countries.

[48] See data in Gregory Flynn, *Public Images of Western Security* (Paris: Atlantic Institute for International Affairs, 1985), 65.

[49] Data in Hastings and Hastings, eds., *Index to International Public Opinion, 1984–1985* (New York: Greenwood, 1986), 237.

[50] For data on *Ostpolitik*, see Elisabeth Noelle-Neuman and Edgar Piel, eds., *Allensbacher*

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Moreover, an increasing number of Germans favored unilateral Western arms reductions to encourage Soviet disarmament; by 1987 more than 50 percent supported such a strategy of reassurance.[51]

A March 1985 international opinion poll asking for people's preferred Western strategy toward the new Soviet leadership confirms the overall pattern (see Figure 3). Once again, there is a striking contrast between German, French, and Japanese public opinion on the one hand and that of the U.S. on the other. Whereas only a minority in each of the four countries supports hawkish policies emphasizing military strength, a plurality of Americans seems to be more cautious than the dovish Europeans, favoring instead an "owlish" approach (that is, combining military strength with the preparedness to compromise). Again, West German public opinion is most supportive of arms control and détente.

While it is not the purpose of this paper to explain the patterns of public opinion, a note is offered on the developments in public opinion in the U.S. as compared with developments in France, Germany, and Japan. The data are consistent with an explanation according to which in Western Europe (and probably in Japan, too) negative feelings toward the Soviet Union did not determine the preferences for specific security policies; rather, the fear of war and of the arms race in general as well as the perception of U.S. policies were of at least equal significance.[52] Indeed, during the early 1980s a plurality of West Germans and French perceived U.S. policies as risking war rather than promoting peace, and the general fear of war reached unusual highs.[53] In sum, even before the cold war was actually over, large segments of Western European—and, maybe, Japanese—public opinion subscribed to a "post–cold war" international environment in which the Soviet threat no longer dominated the agenda.[54]

To conclude, the data reveal similarities as well as differences in the public attitudes of the four countries toward the Soviet Union. While the

Jahrbuch der Demoskopie 1978–1983 (Munich: Saur, 1983), 637; on nuclear arms control, see various USIA polls, quoted in Szabo (fn. 11).

[51] Data in Elisabeth Noelle-Neumann, "Wenn das Gefühl der Bedrohung schwindet," *Frankfurter Allgemeine Zeitung*, July 22, 1988. In comparison, about 80 percent of the American public rejected such unilateral steps during the 1980s; data according to Roper and other U.S. polls, on file at the Yale Public Opinion Research Project, New Haven.

[52] For this explanation, see Don Munton, "NATO up against the Wall: Changing Security Attitudes in Germany, Britain, and Canada" (Paper presented at the Annual Meeting of the *International Studies Association*, Washington, D.C., April 1990).

[53] For data regarding the perception of U.S. policies, see Szabo (fn. 11).

[54] This consideration would also explain why Nincic's "politics of opposites" (fn. 47, 1988) was not observable in Western Europe and Japan. The model is based on a pattern of attitudes in which the perception of Soviet foreign policy still dominates the preferences for specific security policies.

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Question: *In view of the change in Soviet leadership, in which one of the ways listed below should the West proceed in its negotiation with the Soviet Union in order to reach an agreement on arms control?*

—"tough/no compromise + military buildup" (Hawks)
—"more moderate + maintain current military strength" (Owls)
—"offer compromise to encourage the Soviets" (Doves)

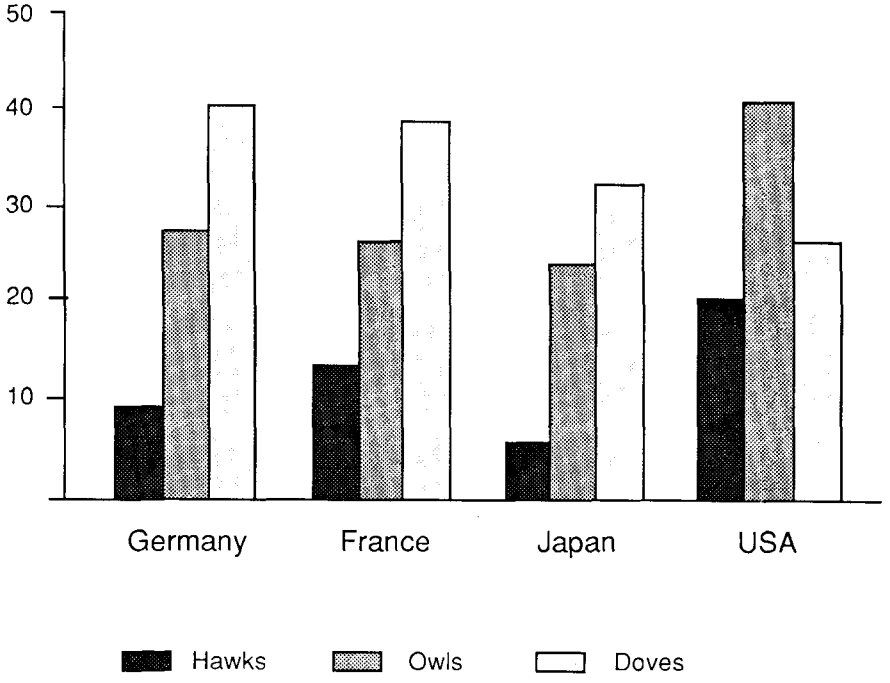

FIGURE 3
POLICY TOWARD THE SOVIET UNION

SOURCE: Hastings and Hastings, *Index to International Public Opinion, 1985–1986* (New York: Greenwood, 1987), 591.

change in the perception of threat occurred at a different time for each, by 1988 the Soviet threat had withered away everywhere except Japan. Moreover, West Germans, French, and Japanese continuously preferred détente and arms control policies to a military buildup, albeit to different degrees. The deviant case was public opinion in the U.S., which favored rather hawkish policies during the early 1980s. But even there arms control was supported again as early as 1982–83. Thus, there have been discernible differences in public attitudes across the four countries. But the similarities seem to be substantial enough to merit a comparative study of their policy impact.

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The Public Impact on Foreign Policy toward the Soviet Union during the 1980s

A comparison of the above data on policy preferences toward the Soviet Union (see Figure 3) with the actual policies of the four countries indicates some preliminary results. On the one hand, Reagan's initial, owlish policy toward Gorbachev as well as the West German embrace of the new Soviet foreign policy right from the beginning—"Genscherism"—seem to be roughly in line with the public opinion trends in the two countries. On the other hand, both the French and the Japanese conducted rather cautious and sometimes even hostile policies toward Gorbachev, policies that seem to have been out of touch with public opinion, particularly in the case of France. This pattern—of a match of public opinion and policy in the cases of the U.S. and the Federal Republic of Germany, less of a match in Japan, and no match in France—is exactly what one would expect using the domestic structure approach. However, detailed process tracing is required to confirm the proposition.

Two Sides of Openness: The United States

Given the domestic structure of the United States, the interaction of public opinion, societal forces, and political elites in the foreign policy process would be expected to resemble the bottom-up model. Indeed, a longitudinal analysis of public opinion and policy changes from 1935 to 1979 revealed a congruence between public opinion changes and policy shifts, especially in cases of high issue salience and drastic changes in public attitudes. Benjamin Page and Robert Shapiro found essentially no difference between domestic and foreign policy issues. More important, in at least half of the cases the policy changes *followed* the shifts in public opinion.[55]

U.S. policy toward the Soviet Union from the late 1970s to the late 1980s reveals the general validity of the hypothesis. Right after the conclusion of the SALT I treaties, the American security elite became increasingly split on the virtues of arms control and détente. During the late 1970s the U.S. public was presented with two different approaches for dealing with the Soviet Union: the views of the traditional arms-control establishment represented in the Carter administration and an outlook

[55] See Page and Shapiro (fn. 3). Note, however, that the study does not prove the bottom-up model. It correlates public opinion data with policy outcomes and does not control for the impact of elite opinion. It would be consistent with the data to assume, for example, that elite opinion changed first and then affected the general public, which in turn led to policy changes.

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most prominently expressed by the Committee on the Present Danger.[56] As the data presented above reveal, the change in public opinion toward "peace through strength" policies took place in late 1979/early 1980. The Soviet intervention in Afghanistan and not just the conservative part of the U.S. elites tipped the balance in favor of the antidétente mood among the public. This contributed to the election victory of Ronald Reagan, and, as a result, to the anti-SALT coalition.[57] In other words, while the events of the late 1970s and early 1980s do not confirm a simplistic version of the bottom-up model, they nevertheless show that U.S. public opinion played a role in bringing the anti-SALT coalition to power.

A similar process can be observed in 1982–84. Reagan's military buildup and his cold war rhetoric quickly eroded the public support for his defense policy. The "politics of opposites" (Nincic) worked (see data above). This change as well as the stable public consensus against the first use of nuclear weapons provided issue publics such as the freeze campaign with a window of opportunity. The nuclear protest was a bottom-up movement that originated outside of Washington's arms-control elite.[58] It quickly gained ground, penetrated the more skeptical arms-control community, and found support among numerous social organizations such as the Catholic church. Given the openness of the U.S. political system, the movement found easy access to the political elites. In 1983 the House of Representatives adopted a freeze resolution. Congress became increasingly active on issues of nuclear arms control.

As a result of these coalition-building processes in the policy network, the power balance in the Reagan administration between hardliners in the Pentagon and more pragmatic conservatives in the State Department slowly shifted in favor of the latter.[59] By 1984 and continuing throughout 1985, that is, *before* Mikhail Gorbachev entered upon the scene, Ronald Reagan had softened his rhetoric and adopted a more compromising stance on arms control. The superpower relationship improved, nuclear-

[56] On the latter, see Max Kampelmann, ed., *Alerting America: The Papers of the Committee on the Present Danger* (Washington, D.C.: Pergamon-Brassey's, 1984); and Jerry W. Sanders, *Peddlers of Crisis: The Committee on the Present Danger* (Boston: South End Press, 1983).

[57] For details, see Bernd W. Kubbig, *Amerikanische Rüstungskontrollpolitik: Die innergesellschaftlichen Kräfteverhältnisse in der ersten Amtszeit Reagans (1981–1985)* (Frankfurt am Main: Campus, 1988); and Barry Posen and Stephen Van Evera, "Defense Policy and the Reagan Administration: Departure from Containment," *International Security* 8 (Summer 1983), 3–45. The best account of U.S. nuclear arms control policy during Reagan's first term is Strobe Talbot, *Deadly Gambits* (New York: Knopf, 1984).

[58] The most comprehensive account of the freeze movement is Meyer (fn. 35).

[59] For details, see Strobe Talbot, *The Master of the Game: Paul Nitze and the Nuclear Arms Race* (New York: Knopf, 1988). See also Ernst-Otto Czempiel, "U.S. Policy towards the Soviet Union under Carter, Reagan, and Bush" (Paper presented to the Annual Convention of the International Studies Association, Washington, D.C., April 10–14, 1990); and Joseph (fn. 9), chap. 5.

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arms-control talks resumed in early 1985, and the U.S. defense budget began to decline by 1986. However, the freeze campaign failed to achieve its immediate goals, and the shift in Reagan's policy did not produce substantial arms-control results until the late 1980s (INF Treaty 1987). But public opinion clearly affected the ability of the issue public and interest groups to promote their cause and thereby influence the coalition-building process among the elites, which in turn produced tangible, albeit limited, results in U.S. policies.

The impact of public opinion on the conduct of U.S. policy toward the Soviet Union was also noticeable in the spring of 1989. When the Bush administration came into power, government officials conducted a comprehensive review of Reagan's policies and apparently concluded that a more cautious approach should be adopted toward Moscow. However, as discussed above, by that time the Soviet threat had already withered away for the American public, so much so that the public reacted negatively to Bush's early foreign policy statements. The administration quickly adjusted to the public mood, however, and in June 1989 the president assured the public and the allies that the U.S. was firmly supportive of Gorbachev and the politics of perestroika.[60]

While public opinion did not determine U.S. policy toward the Soviet Union during the 1980s, it nevertheless left a discernible mark on the decision-making process. The analysis confirms that the U.S. domestic structure is a comparatively open system that allows societal actors to mobilize support and to affect the balance of forces within the policy network. Nevertheless, the fragmentation and decentralization of the political system work against the stabilization and institutionalization of policies. Policymakers were able to decrease the salience of the issues in question by symbolically adjusting to the public mood, as was the case in 1984–85. The public impact was more limited regarding the substance of policies, mainly because the domestic structure does not provide institutional support for lasting consensus among the elites (as, for example, a strong party system would). In sum, the very openness of the U.S. system to societal pressures also limits their impact.

WEAKNESSES OF A "NUCLEAR MONARCHY": FRANCE

The French domestic structure, as compared with that of the U.S., provides public opinion with only limited influence on foreign policy deci-

[60] This account is based largely on newspaper articles. See, e.g., "Cheney Remarks on Soviet Future Ruffle the White House's Feathers," *New York Times*, May 1, 1989; "Bush Asks an End to Divided Europe," *New York Times*, June 1, 1989; and "Bush Policy Makers Reach Uneasy Balance on an Approach to the Soviets," *New York Times*, July 2, 1989.

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sions. With the possible exception of the ending of the Algerian war,[61] there is indeed not much evidence that any of the major foreign policy decisions by the presidents of the Fifth Republic were taken in response to public opinion. This holds true for the building of an independent nuclear force, the withdrawal from NATO's military command, the policy of détente toward the Soviet Union in the 1960s and 1970s, and the gradual shift toward more pro-European attitudes under de Gaulle's successors. In most cases public opinion was deeply split on the issues. Moreover, the French presidents were usually able to create a public consensus supporting their foreign policies *after* the event.[62]

A similar pattern prevailed during the 1980s. As shown above, French public opinion did not develop in a markedly more hawkish way than did public opinion in Germany or Japan. Nevertheless, the new Socialist president, Mitterrand, adopted a more hostile approach toward the Soviet Union than that held by his predecessors, who had basically continued the legacy of de Gaulle's independent policy of détente. While Mitterrand's policy change did not reflect trends in mass public opinion, it was in line with parts of the issue public and the political elites. French left-wing intellectuals who had been fairly pro-Soviet during the 1950s and 1960s "discovered" repression in the USSR in the early 1970s and turned overwhelmingly anticommunist as a result. When President Giscard D'Estaing tried to continue détente in the aftermath of the Soviet intervention in Afghanistan, he was chastised by the intellectuals and the media. His successor, Mitterrand, changed the policy, not least of all for domestic reasons, in an effort to isolate and marginalize the French Communist Party (PCF) on the Left.[63]

The limited role of French society and public opinion in influencing policy decisions was also apparent during the early 1980s when France was the only major Western European country that did *not* face a significant public security debate and protest movements against nuclear weapons. This may be explained in part by the fact that the new U.S. INF missiles were not about to be deployed in France. Still, the French favored nuclear arms control and were as opposed to Reagan's policy as was any other European public. However, the French peace movement never developed into a mass movement; on the contrary, it was not only

[61] See Grosser (fn. 22), 161–72.

[62] For details, see Cohen (fn. 22); Grosser (fn. 22); Howorth (fn. 31); and Aldrich and Connell (fn. 21).

[63] For details, see Cohen (fn. 22); Julius W. Friend, *Seven Years in France* (Boulder, Colo.: Westview Press, 1989), 75–81; and Michel Tatu, "Valéry Giscard d'Estaing et la détente," in Samy Cohen and Marie Claude Smouts, eds., *La politique extérieure de Valéry Giscard d'Estaing* (Paris: Presses de la fondation nationale des sciences politiques, 1985), 196–217.

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marginalized by the mass media but also internally split along ideological lines from the very beginning. In that sense, it reflected the fragmentation of French society.[64]

While the French centralized political institutions and the state-dominated policy network seem to constrain the public impact on foreign policy, there are a few instances in which public opinion apparently did play a role. One recent example was Mitterrand's decision in 1987 to endorse the INF treaty, despite the objections of his conservative foreign and defense ministers and of the majority of the French security community, who thought that the zero option was detrimental to Western deterrence policy. One year before the presidential elections, Mitterrand was apparently aware that French public attitudes overwhelmingly endorsed the U.S.-Soviet agreement. The decision is an example of presidential dominance in foreign policy matters even in times of "cohabitation"; it also suggests that public opinion sometimes affects French foreign policy directly, through presidential decisions rather than through coalition-building processes among the elites.[65]

While French public opinion only marginally influenced foreign policy decisions during the 1980s, the process did not resemble the top-down model. The French public did not just follow the policies of the elites or of Mitterrand. A comparison between public opinion and elite opinion shows that the attitude gap between elites and masses in France is one of the largest in Europe.[66] French public opinion seems simply to be disconnected from the policy-making process.

The limited role of French society in the country's foreign policy–making process does not, however, result in a highly active policy unhampered by domestic constraints and able to concentrate solely on external factors, as the concept of "state strength" would assume. The powerful, centralized state institutions of the Fifth Republic were designed to integrate a heavily divided and fragmented society. The foreign policy of de Gaulle and, albeit to a lesser extent, of his successors was intimately linked to the efforts to strengthen the societal support basis for the insti-

[64] In addition, there were historical reasons for the isolation of the French peace movement. The notion of pacifism was identified with the politics of appeasement in the 1930s, and the largest French peace movement, the Mouvement de la Paix, was never able to distance itself convincingly from the Communist Party. For details, see Howorth and Chilton (fn. 39).

[65] In this particular case, Mitterrand was apparently influenced by public opinion not only in France but also in West Germany and by the fear that rejection of zero INF would lead to German neutralism. Cf. Jolyon Howorth, "Consensus and Mythology: Security Alternatives in Post-Gaullist France," in Aldrich and Connell (fn. 21), 16–34; and LePrestre (fn. 38).

[66] See Eichenberg (fn. 1), 222–24.

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tutions of the Fifth Republic.[67] To this day the official ideology emphasizes French unity, *grandeur*, and independence from external influences and alliances, notions that cut across ideological cleavages.[68] As a result, the famous French consensus on foreign and defense affairs remains fragile. The French state pays a price for excluding society from the foreign policy–making process. Rather than being able to pursue an autonomous and active policy. French decision makers seem to be constantly concerned with stabilizing a vulnerable elite consensus.

FROM TOP-DOWN TO BOTTOM-UP: THE FEDERAL REPUBLIC OF GERMANY

A review of West German foreign policy reveals that the impact of public opinion increased over time and that the decision-making process became more democratic. In the 1950s, when Chancellor Adenauer integrated the Federal Republic into the Western alliance and the European Community, general public opinion was as deeply divided on the issue as were the political elites and the parties. However, Adenauer went ahead, and by about 1960 the public as well as the opposition had accepted his security policies.[69]

This top-down pattern gradually changed over the next two decades. In 1968–70, when Chancellor Brandt began his *Ostpolitik* and concluded the treaties with the Soviet Union and Eastern Europe, public opinion as well as the political elites were again divided on the policy. The Christian Democratic opposition (CDU) launched a vehement campaign against *Ostpolitik* and was even successful in depriving the government of its majority in Parliament. This time, however, and unlike the 1950s, the populace decided the issue: Brandt won the 1972 national elections primarily on the basis of *Ostpolitik*.[70] Throughout the 1970s the public consensus in favor of détente stabilized, and by 1980, despite the Soviet arms

[67] See Philip G. Cerny, "Gaullism, Nuclear Weapons, and the State," in Howorth and Chilton (fn. 39), 46–74; and David Hanley, "The Parties and the Nuclear Consensus," ibid., 75–93. On the institutional uncertainty of the French system as a dominant feature of the country's policy network, see Ashford (fn. 28).

[68] "Independence," for example, was understood in an anti-Soviet sense by the French conservatives, in an anti-American way by the Left, and in a neutralist sense by nationalists at both ends of the political spectrum.

[69] For details, see Arnulf Baring, *Am Anfang war Adenauer: Die Entstehung der Kanzlerdemokratie* (Munich: Deutscher Taschenbuch-Verlag, 1971); Cioc (fn. 36); and Hans-Karl Rupp, *Außerparlamentarische Opposition in der Ära Adenauer* (Cologne: Pahl-Rugenstein, 1970).

[70] For details, see Helga Haftendorn, *Sicherheit und Entspannung: Zur Außenpolitik der Bundesrepublik Deutschland, 1955–1982* (Baden-Baden: Nomos, 1983); Wolfram F. Hanrieder, *Germany, America, Europe* (New Haven: Yale University Press, 1989), 170–219; Clay Clemens, *Reluctant Realists: The Christian Democrats and West German Ostpolitik* (Durham, N.C.: Duke University Press, 1989); and Christian Hacke, *Die Ost- und Deutschlandpolitik der CDU/CSU* (Cologne: Wissenschaft und Politik, 1975).

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buildup and the intervention in Afghanistan, it was firmly in place, as shown in the data above.

The opposition Christian Democrats, although internally divided, continued to oppose détente and in 1980 conducted another anti-*Ostpolitik* election campaign, hoping it would succeed because of the deterioration in East-West relations. Unlike the anti-SALT coalition in the U.S., however, they failed. In November 1980, that is, two years before he became chancellor, Helmut Kohl finally declared the battle over, and the CDU accepted *Ostpolitik*.[71] In sum, general public opinion was crucial in affecting the coalition-building process within the party system and, thus, in bringing about the German détente consensus. Unlike the French case, the domestic structure of the Federal Republic not only proved to be more open to societal influences, but it also institutionalized the consensus in the policy network, thus allowing for a highly active *Ostpolitik*.

General public opinion and societal actors also made a difference during the nuclear debate of the 1980s.[72] The nuclear controversy originally began at the elite level—mainly within the SPD—in 1977–78, in the debate over the neutron bomb. NATO's INF decision of 1979, the new "cold war" between the U.S. and the USSR, and the election of Ronald Reagan then triggered mass opposition. New peace movements launched their protests against the deployment of INF missiles. As with the freeze campaign in the U.S., the protesters in Germany relied on general public opinion as a support basis regarding two issues: (1) opposition to a belligerent U.S. policy and (2) opposition to nuclear weapons as instruments of war fighting and to their deployment on German soil.

While the peace movements failed to prevent the INF deployment in 1983, they had a profound impact on the coalition-building process among the elites. First, support for vigorous arms-control efforts increased within all parties, in particular within the CDU. Second, the "disarmers" entered the party system. Since 1983 policy decisions within the SPD elite have resulted from policy compromises between disarmers and the traditional arms-control establishment, but excluding members of the right wing of the party, such as former Chancellor Helmut Schmidt. Moreover, a disarmament party, the Greens, entered the political scene. Third, the nuclear elite consensus broke down as a result. By

[71] For details, see Risse-Kappen (fn. 17), pt. B.

[72] For the following, see details ibid. On the peace movements in particular, see Josef Janning et al., eds., *Friedensbewegungen* (Cologne: Wissenschaft und Politik, 1987); and Thomas Rochon, *The Politics of the Peace Movement in Western Europe* (Princeton: Princeton University Press, 1988).

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1984 the SPD had adopted an antinuclear stance. In sum, the coalitions within the policy network gradually moved to the Left—in line with trends in general public opinion and in response to the protests of the issue publics.

The consequences of both the détente debate and the antinuclear protests were seen in the mid- to late 1980s. Germans were the first to embrace Gorbachev's new policy, because it responded favorably to what had previously emerged as a consensus on *Ostpolitik* and common security. Moreover, the opposition to new nuclear weapons increasingly included the CDU, the consequences of which became apparent during NATO's debate on the modernization of battlefield nuclear weapons in the spring of 1989. There was a coincidence of public opinion, left-wing antinuclearism, and conservative fears that short-range systems would "singularize" Germany in the aftermath of the INF treaty. As a result, Chancellor Kohl had no choice but to resist a modernization decision by NATO.

To conclude, the role of public opinion in West German security policy changed over time and moved closer to the bottom-up model during the 1980s. The general and the issue publics decisively affected the coalition-building processes within the party system, which in turn considerably narrowed the range of options available to policymakers. However, the change has nothing to do with public opinion as such. For example, the public had been as ambiguous about the deployment of nuclear weapons in West Germany in the 1950s as it was in the 1980s, although the policy impact was markedly different in the latter case. Rather, the difference in influence seems to reflect a change in the domestic structure that opened up German politics to societal pressures. Adenauer's "chancellor democracy" changed into a "party democracy" during the 1960s, thereby establishing a democratic corporatist policy network. On top of that, new social movements—from the student protests of the late 1960s to the environmentalists of the 1970s and the peace groups of the 1980s—affected the political culture and were crucial in opening the party system to societal influences.[73] In contrast to France the domestic structure of the Federal Republic was open enough to allow for such changes in the first place. And unlike the United States, the strength of the party system in the policy network allowed for the institutionalization of the societal consensus.

[73] For analyses of these changes, see Kendall Baker et al., *Germany Transformed: Political Culture and the New Politics* (Cambridge: Harvard University Press, 1981); Samuel Barnes et al., *Political Action: Mass Participation in Five Western Democracies* (Beverly Hills, Calif.: Sage, 1979); Karl-Werner Brand et al., *Aufbruch in eine andere Gesellschaft: Neue soziale Bewegungen in der Bundesrepublik Deutschland* (Opladen: Westdeutscher Verlag, 1983); and Richard Stöss, ed., *Parteien-Handbuch*, 2 vols. (Opladen: Westdeutscher Verlag, 1983–84).

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CONSERVATIVE LEADERS VERSUS PUBLIC OPINION: JAPAN

Given the Japanese domestic structure and the stability of Japanese public opinion, the case is expected to resemble Germany. If one considers the low-key approach of Japanese military security policy over the last forty years, the self-imposed arms-control measures such as the nonnuclear principles and the limits on defense spending, and the reluctance to play a more global role in world politics, Japanese public opinion and foreign policy seem to be more or less in line. Indeed, almost every analysis of Japanese defense policy points to the constraining forces of public opinion on the margins of maneuver of the policymakers.[74]

At first glance, Japanese foreign policy during the 1980s seems to confirm the analysis. Prime Minister Nakasone met with firm domestic opposition when he talked about making Japan an "unsinkable aircraft carrier"[75] and tried to move Japanese security policy toward a more prodefense stance and to initiate a major military buildup program. While all Japanese governments of the 1980s declared that they wanted to abandon the principle of not exceeding 1 percent of the GNP for defense expenditures, they were only able to do so from 1986 to 1989. The principle was reinstated in December 1989. Finally, Japanese policy toward the Soviet Union remained in line with the comparatively high degree of public threat perception (see data above). Japan was reluctant to react to Gorbachev's peace initiatives and to the changes in Soviet foreign policy. In contrast to the Federal Republic of Germany, Tokyo only grudgingly accepted the INF treaty after having insisted that the Asian-based Soviet SS-20s be included in the zero option.[76]

However, this description gives only half of the picture. The very fact that Nakasone and his successors were able to change Japanese defense posture as well as to implement a more globally oriented foreign policy belies the notion that Japanese policy-making is dominated by trends in public opinion. Moreover, the 1 percent GNP limit on defense procure-

[74] See, for example, J. W. M. Chapman, R. Drifte, and I. T. M. Gow, *Japan's Quest for Comprehensive Security* (New York: St. Martin's Press, 1982); Scalapino (fn. 23); and Welfield (fn. 24).

[75] In March 1983, 72% of Japanese were worried about Nakasone's defense policy; 48% disagreed with his remarks about the "unsinkable aircraft carrier." While public opposition to Nakasone's policies declined somewhat over the years, he was nevertheless unable to change the prevailing trends. For data, see Hastings and Hastings, eds., *Index to International Public Opinion, 1982–1983* (New York: Greenwood, 1984), 316. For analyses of Japanese foreign policies during the 1980s, see, e.g., Drifte (fn. 23); idem, *Japan's Rise to International Responsibilities* (London: Athlone Press, 1990); and Malcolm McIntosh, *Japan Re-Armed* (London: Frances Pinter, 1986).

[76] See details in Drifte (fn. 75, 1990), 48–58.

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ment seems to be largely symbolic and primarily meant for domestic consumption. If one uses NATO criteria to measure military expenditures, Japan had the third highest military budget worldwide in 1988. Finally, Tokyo's tough-minded policy vis-à-vis Gorbachev's Soviet Union reflected public opinion on only a superficial level. As the above-quoted data suggest, most Japanese would have been perfectly willing to support a policy that tried to resolve the grievances with the USSR—particularly the dispute over the northern territories—by means of diplomacy.

The contradictory evidence is explainable: simply put, the LDP's conservative leaders did not share the general public's outlook on Japan's role in the world and moreover felt under constant U.S. pressure to build up the military. In essence, security policy seems to have remained the one issue-area in Japanese politics in which the beliefs of the leaders of the conservative coalition did not accord with public attitudes. As a result, Nakasone and his successors had to conduct their defense policy against the prevailing trends in public opinion; unable to change it and given Japan's domestic structure, however, they had to acquiesce to it. They thus muddled through while stretching public tolerance to its limits. If one accepts the notion that the Japanese governments indeed felt vulnerable to public opinion, the strange coincidence of low-key rhetoric (except for Nakasone's early years) and considerably more active security policies becomes explicable.

Thus, in the 1980s Japanese public opinion placed broad, but nevertheless effective, constraints on the actions of policymakers. The impact of the public was reinforced by the peculiarities of the Japanese domestic structure, in particular, the emphasis on consensus building in the policy network. Unlike France and more comparable to Germany's corporatist process, issue publics and societal actors were able to affect the coalition-building processes within the LDP by forcing it to take account of the viewpoints of the opposition parties. As a long-term consequence of the 1960 crisis, the conservative coalition tried to include the opposition parties in major decisions concerning foreign and security policy. The institutionalization within the LDP of "policy tribes" corresponding to the particular ministries and Diet committees also enhanced the consensus-building capacity within the LDP and reduced the impact of factionalism.[77]

[77] I thank Nobuo Okawara for pointing this out to me. See also Calder (fn. 42), 463. The most recent domestic turmoil in Japan on how to deal with the crisis and the war in the Persian Gulf confirms the analysis that mass public opinion severely contrains the country's ruling conservative coalition.

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Conclusions

The study leads to three major conclusions. First, *mass public opinion mattered* in each of the four countries, albeit to very different degrees. Policymakers in liberal democracies do not decide against an overwhelming public consensus. In most cases, mass public opinion set broad and unspecified limits to the foreign policy choices. In the U.S. and—more recently—Germany it also defined the range of options available for implementing policy goals. Additionally, general issue salience seems to be of minor importance, once there is a clear majority in favor of certain policies. In the Japanese case the issue salience of foreign policy was comparatively low; decision makers nevertheless felt the pressure of mass public opinion. In sum, public consensus may substitute for a lack of issue salience, whereas highly mobilized societal actors may be able to influence policies even in the absence of such consensus. Neither was the case in France.

However, there are discernible limits to the impact of the general public on foreign and security policies. Rarely does general public opinion directly affect policy decisions or the implementation of specific policies. In sum, the bottom-up and the top-down models are too simplistic to fit the reality in the four countries.

Second, most of the previous research on the policy impact of public opinion treats the domestic decision-making process as a black box and directly compares opinion polls with policy outcomes. This study suggests, however, that the *indirect effects of public opinion* are far more important. To the extent that the empirical material was available,[78] it could be shown that the main role of the public in liberal democracies is to influence the coalition-building processes among elite groups. In the U.S. and the Federal Republic of Germany public opinion had a crucial impact on elites as they reconfigured their coalitions; groups in line with public preferences were able to carry the day. In Japan the public forced the ruling conservative coalition to integrate the opposition into the decision-making process, at least to some extent.

Moreover, support by mass public opinion seems to be essential for issue publics, public interest groups, and other societal actors to influence policy decisions. This accounts for the partial success of the peace movements in Germany and the U.S. and of the otherwise marginalized opposition parties in Japan in affecting the debates in the policy network.

[78] This proved to be a major limitation of this study, particularly in the French case. The prevailing realist paradigm in international relations and the focus of most studies on elites do not encourage scholars to trace the impact of public opinion and societal actors on decisions in detail.

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For both the political elites and societal actors, mass public opinion proves to be a resource for strengthening one's position in the coalition-building process.

The third conclusion concerns the usefulness of the *domestic structure approach*. Domestic structures seem indeed to account for the differences between the four countries. The degree of mass public consensus on foreign policy correlates strongly with the degree of *societal fragmentation*, in particular, the ideological divisions between Left/liberals and Right/conservatives. Japan as the most homogeneous society of the four countries also enjoys the most stable public foreign policy consensus. By contrast, the divisions in French public opinion on security policy reflect the country's ideological and class cleavages. The U.S. and Germany are cases in between.

Furthermore, there is strong empirical evidence that domestic structures are the intervening variable between public opinion and foreign policy. Under given international conditions and despite relatively similar public attitudes across countries, variances in the interaction between the general public and elites in the foreign policy–making process can be explained by differences in domestic structures. The degree to which political institutions are centralized and the degree to which the state dominates the policy networks seem to be the determining factors. In both categories, France and the U.S. are located at opposite ends of the spectrum. The two countries also form the two cases in which public opinion seems to have the greatest (U.S.) and the least (France) impact on policy decisions. The Federal Republic of Germany changed over time from top-down to a more interactive or even bottom-up process, which in turn seems to reflect changes in the overall domestic structure. In the Japanese case the stable public consensus in favor of a nonmilitary security policy severely constrained a political elite that tried to pursue a more active foreign policy. Moreover, societal protest such as was experienced during the 1960 crisis left a discernible mark on the consensus-building process in the conservative coalition and, as a result, on Japanese foreign policy.

At first glance, the empirical findings appear to confirm the distinction between strong and weak states. The stronger the state institutions and the greater their control of the policy networks, the less access the public has to the policy-making process. However, while the strong versus weak state distinction seems to make sense regarding the *input* side of the political system, it is flawed if one considers the relationship between societal demands and *policy outcomes*. The strong French state and corporatist Japan both pursued comparatively low-key and noncommittal

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policies with respect to the Western alliance system, arms control, and the Soviet Union during the 1980s, but for very different reasons. French foreign policy reflected not so much state strength as the fragility of an elite consensus and a general lack of policy legitimacy in the absence of societal input into the decision-making process. But Japanese foreign policy was constrained by the institutionalization of the domestic consensus—elite and public—in the policy network.

The comparison between the weak U.S. state and corporatist Germany is also revealing. Both countries pursued comparatively active and highly visible foreign policies (Germany at least in the East-West context). But there are important differences that reflect the respective domestic structures. The frequent volatility and unpredictability of American policies seems to result from constantly shifting coalitions in Washington's domestic process. In comparison, the Federal Republic has pursued a more stable foreign policy over the last twenty years. In contrast to the U.S., but similar to Japan, the German policy network and the political structure emphasize consensus building and the institutionalization of coalitions in support of specific policies. As a result, the Germans have less direct input into the policy-making process than the Americans have, but their impact on policy outcomes seems to last longer.

I am aware that this paper suffers from a number of limitations and that further comparative research is indicated. First, while this article more or less covers the spectrum of domestic structures in liberal democracies, it deals neither with authoritarian regimes nor with one-party systems. Does the empirical evidence confirm the conventional wisdom that public opinion does not count in those countries, or do systems that are not democratic in the Western sense provide the masses with different ways to influence policies? Second, the role of cultural factors to facilitate or to complicate the public's impact on foreign policy has to be examined systematically. The emphasis on consensus building as a social value in both Japan and Germany suggests, for example, that the domestic structure approach as presented here might have to be expanded. Finally, this paper does not deal with the role of the media, though it is fair to assume that the media play a critical role both in the process of opinion formation and in conveying public attitudes to the policymakers.

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BRINGING CAPITAL BACK IN, OR SOCIAL DEMOCRACY RECONSIDERED

Employer Power, Cross-Class Alliances, and Centralization of Industrial Relations in Denmark and Sweden

By PETER SWENSON

SOCIAL democracy in power, according to the prevailing wisdom of over a decade of comparative study, needs unified, encompassing, and centralized labor unions. With labor's "relative power resources" so generated and mobilized in Scandinavia, Social Democrats could come to power in the 1930s and exact favorable terms from capital. According to this line of thought, after years of industrial strife of an intensity rarely experienced elsewhere in the world, the labor movement in Scandinavia gained impressive terrain with redistributive social policy envied by the Left elsewhere. Strikes practically vanished, rendered obsolete by legislation, a superior redistributive device.

This article aims to show that much of the literature on social democracy views power relations between classes more or less in this manner and errs in doing so. It critically examines what might be called the "balance of class power model"—most energetically and influentially developed by Walter Korpi[1]—which incorrectly depicts capital in the social democratic political economy as having been politically tamed by strong and militant labor confederations. It also advances another way of looking at the political regulation of class relations, drawing from the history of Danish and Swedish labor politics. This analysis suggests that centralized unions and the Left exercise institutionalized power in advanced

[1] See Walter Korpi and Michael Shalev, "Strikes, Industrial Relations and Class Conflict in Capitalist Societies," *British Journal of Sociology* 30 (June 1979), 164–87; idem, "Strikes, Power, and Politics in the Western Nations, 1900–1976," in Maurice Zeitlin, ed., *Political Power and Social Theory*, vol. 1 (Greenwich, Conn.: JAI Press, 1980); and Korpi, *The Democratic Class Struggle* (London: Routledge and Kegan Paul, 1983). See also distinct critiques of Korpi and related authors in Jonas Pontusson, "Behind and beyond Social Democracy in Sweden," *New Left Review* 143 (January–February 1984); and James Fulcher, "Labour Movement Theory versus Corporatism: Social Democracy in Sweden," *Sociology* 21 (May 1987), 231–52, esp. 237–42.

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industrial societies not against or in any way at the expense of employers. In fact, the Danish and Swedish Left secured power in tacit alliance with dominant groups of employers. These employers indeed were not at all unwilling to construct the centralized institutions of industrial relations that are widely agreed to be constitutive features of labor-inclusive politics. This alliance perspective suggests there were winners and losers within labor, as well as divisions among capitalists.[2]

The "cross-class alliance" model offered here provides one important, if by no means the only, basis for explaining why Social Democratic rule endured for so much of the interwar and postwar periods in Denmark and Sweden. The political domination of Social Democrats, I argue, was stabilized by the absence of intense opposition by capital to policies and programs aggressively opposed by business elsewhere in the world. This quiescence was not a symptom of weakness or dependency. Instead, it was a product of the class-intersecting, cross-class alliance behind institutions of centralized conflict resolution that routinely served mutual interests of sectoral groupings that dominated employer and union confederations. In class-divisive, cross-class alliances these groups mutually reinforced each other's power to control intramural competitors and opponents. The argument disaggregates classes to focus on conflicts within as well as between capital and labor, and on interests shared across class lines in institutional systems regulating conflicts along both axes.[3]

With a focus on employers, intraclass conflict, and centralization, the paper also sheds light on a hidden factor behind the cross-class (farmer-labor) parliamentary coalitions of the 1930s. Convention has it that stable governmental domination by the Left in Scandinavia was made possible by strong labor unions in combination with two other circumstances: (1) the advantages enjoyed by large, unified left-wing parties in parliamentary contestation for power with small and divided centrist and right-wing parties friendly to business, and (2) related to that, parliamentary bargains with Agrarian parties, in which labor abandoned its opposition to farm protectionism in exchange for farmers' acceptance of job programs in urban public works and housing development.[4] This is as far

[2] Note that the balance of power literature tends to see social democracy as a provider of positive-sum gains for both capital and labor. A coherent interpretation entails that capital's gains were imposed, not negotiated. Adam Przeworski's analyses of "class compromise" suggest a better alternative, as they emphasize the mutual advantages of institutional settlements rationally acted upon by both capital and labor. But he treats classes as unitary actors and therefore neglects intraclass conflict as a condition of cross-class settlements. See Przeworski, *Capitalism and Social Democracy* (Cambridge: Cambridge University Press, 1985).

[3] See also Peter Swenson, "Labor and the Limits of the Welfare State: Intra-Class Conflict and Cross-Class Alliances in Sweden and West Germany," *Comparative Politics* (forthcoming).

[4] See Francis Castles, *The Social Democratic Image of Society* (London: Routledge and Ke-

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as the analysis of the cross-class alliances of the 1930s usually goes, which thus wrongly suggests that the coalitions excluded capital. In fact, for reasons to be discussed later, the alliance between sectors of labor and capital behind the centralization of industrial relations facilitated the formation of the more visible parliamentary farmer-worker alliances of the 1930s. In turn, the farmer-labor coalitions at the parliamentary level helped repair intraclass divisions that had been created by the industrial-level alliance. In other words, capitalists were essential participants—not outsiders—in this complex realignment of political forces.

This analysis of the coalitional foundations of social democracy opens with an account of the role of employers in coercing unions into institutions of centralized industrial relations in Denmark and Sweden. One of the chief instrumental motives of employers was to gain overarching ("peak-level") control of the intersectoral pay structure, mostly for the benefit of manufacturers of internationally traded metal products and to the disadvantage of high-pay workers in home-market sectors, especially in the building trades. Working in a sector sheltered from international competition, building tradesmen enjoyed advantages in wage bargaining not shared by workers in traded-goods sectors. This fact troubled manufacturers probably even more than it did building contractors. In a manner peculiar to Scandinavian employers, their associations went on the attack, using the sweeping multi-industry sympathy and offensive lockouts to promote peak-level control over, among other things, pay in the construction industry.

The paper highlights the militant role of employers in fostering union centralization, to show how the balance of class power model has systematically misconceived capital as passive or weak. An interpretation of employers' perceived interests and instrumental actions is integrated into a critical review of conventional explanations of such phenomena in Denmark and Sweden as (1) farmer-labor coalitions that brought the Left to power in Parliament and the bureaucracy from the 1930s onward and (2) the rapid decline in industrial conflict, also beginning in the 1930s. The paper concludes with a discussion of how labor's power and the cross-class parliamentary alliances of the 1930s should be reconceptualized in conformity with these revisions.

Explaining the Centralization of Labor: Denmark and Sweden

Organized employers wanted and aggressively promoted the centralization of industrial relations in Scandinavia. This idea is rarely entertained

gan Paul, 1978); and Gøsta Esping-Andersen, *Politics against Markets: The Social Democratic Road to Power* (Princeton: Princeton University Press, 1985).

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in the literature, possibly because it is at odds with the prevailing and intuitively plausible equation of union unity and centralization with strength against capital. Comparative-historical case analysis of actual institution building in industrial relations, let alone the study of employers as architects and engineers in the joint project, are practically nonexistent.[5] On the "corporatism" question one typically finds ahistorical macrocomparative studies focusing on economic infrastructure, party politics, and the state—structural features of economics and politics that distinguish the centralizers from the others. Employers as organized agents are usually absent from the analysis and by implication inert.[6]

This criticism pertains primarily to the balance of class power literature, the specific features and problems of which are the focus of detailed analysis below. A different literature with varying Marxist angles on Social Democratic corporatism also ignores businessmen and institution building. The state here is supposed but never demonstrated to be the agency that imposes centralized industrial relations in order to harness labor unions to the capitalist wagon. With or without reference to instrumental state action, this literature seeks unsuccessfully to identify some systemic or functional logic behind the corporatist fusion of state and societal power. In any event the process is co-optative, operating at the expense of labor rather than of capital.[7]

[5] To explain variations in peak-level centralization, industrial relations expert John Windmuller examines and dismisses six factors; employers were not on the list. See Windmuller, "The Authority of National Trade Union Confederations: A Comparative Analysis," in David B. Lipsky, ed., *Union Power and Public Policy* (Ithaca, N.Y.: School of Industrial and Labor Relations, Cornell University, 1975). Keith Sisson, in *The Management of Collective Bargaining: An International Comparison* (Oxford: Basil Blackwell, 1987), focuses on employers to explain bargaining centralized at the industrial level but fails to explain peak-level centralization; and H. Clegg, *Trade Unionism under Collective Bargaining: A Theory Based on Comparisons of Six Countries* (Oxford: Basil Blackwell, 1976), offers an early but undeveloped statement on the importance of employers.

[6] The political economy literature ignores employer organization. Philippe Schmitter uses union organization as a proxy measure of corporatist organization in all other sectors; see Schmitter, "Interest Intermediation and Regime Governability in Contemporary Western Europe and North America," in Suzanne Berger, ed., *Organizing Interests in Western Europe: Pluralism, Corporatism, and the Transformation of Politics* (Cambridge: Cambridge University Press, 1981), 293. Peter Katzenstein treats the organization of labor and business independently, but he measures intersectoral concentration in peak trade organizations rather than centralization of authority in employer organizations, which are often separate. See Katzenstein, *Small States in World Markets: Industrial Policy in Europe* (Ithaca, N.Y.: Cornell University Press, 1985), 106. Trade, not employer associations, is the main focus of Schmitter and Wolfgang Streeck, eds., *Private Interest Government: Beyond Market and State* (London: Sage, 1985).

[7] According to Schmitter, Scandinavian style "societal corporatism" (which includes centralization) follows the gradual "decay of pluralism" and meets "certain basic imperatives . . . of capitalism to reproduce the conditions for its existence and continually to accumulate further resources." See Schmitter, "Still the Century of Corporatism?" in Schmitter and Gerhard Lehmbruch, eds., *Trends toward Corporatist Intermediation* (Beverly Hills, Calif.: Sage, 1979), 24. The state promotes corporatism in Leo Panitch, "Trade Unions and the

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An employer-centered account of centralization and social democracy in Denmark and Sweden offers an alternative to both the balance of class power perspective on centralization and the more Marxist approaches. It focuses on the interests and instrumental actions of capitalists without endorsing the Marxist view that corporatism means co-optation of labor on behalf or at the behest of capital. In Sweden and Denmark certain factions within the Social Democratic labor movement desired centralization for their own material and power interests, but they lacked the muscle to impose it on reluctant unions without helpful and coercive pressure from employers. In alliance with labor interests, employers forced those reluctant unions to delegate authority upward to confederation leaders, primarily over the initiation and financing of strikes.

The Weapon: Lockout

Scandinavian employers used multisectoral "sympathy" and "offensive" lockouts to promote the centralization of union authority and industrial relations. When confronted individually by spontaneous, locally isolated militancy, organized firms would as a rule receive financial and other support during strikes against workers who could not manage for long without pay. In this way employers were partially immunized against uncoordinated action. When, however, a national industry or craft union stepped in with financial help in the classic whipsaw fashion, picking off one employer at a time, strike insurance proved of limited benefit (unless, as was often difficult, sufficiently numerous and skilled scabs could be procured). In response, Scandinavian employer organizations called upon their members to lock out many if not all remaining workers in the industry or craft. The employers generally received partial compensation from their organizations' conflict funds, while their idled workers in turn would demand lockout compensation from rapidly dwindling union funds. Duty-bound by their constitutions, the union confederations would then step in when called upon for aid, only to find that employers could counter with a multi-industry sympathy lockout of workers even in firms or industries not engaged in the disputes and operating peacefully (and often quite profitably) under valid union contracts. General lockouts of this nature struck confederation leaders at one of their weakest points—their finances. Until the 1940s Scandinavian employers periodically saw the need for such "bloodlettings," as they called it.

Capitalist State," *New Left Review* 125 (January–February 1981), 21–43; and Claus Offe, ed., "The Attribution of Public Status to Interest Groups," in *Disorganized Capitalism: Contemporary Transformations of Work and Politics* (Cambridge: MIT Press, 1985).

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Sometimes employers simply skipped the intermediate steps and called sweeping multi-industry lockouts in response to strikes by no more than a handful of workers in a single craft or industry. In 1899, in a decisive move to force the Danish Labor Confederation (DSF) to restrain its member unions, the Danish Employers' Confederation (DAF) called a lockout first against workers in the entire carpentry trade and then in other unrelated industries, including engineering. Strikes by carpenters in seven provincial towns involving only a few hundred workers triggered the draconian response. Because the labor confederation was formally committed to defense of locked-out workers in the other sectors (with lockout support financed by ad hoc assessments of the entire membership), it was inevitably dragged into the conflict. After four months employers achieved a dramatic victory with the so-called September Agreement (Septemberforliget). The conflict practically bankrupted the unions, and because many previously unorganized employers rallied to join, the employers' confederation emerged financially better off than before.[8]

This peak-level agreement spelled out mutual recognition of the right of employers and workers to organize, along with employers' managerial prerogatives against worker control and the closed shop. Also, by requiring two weeks' advance notice of a strike or lockout vote, a three-quarters majority in the vote, and then another week before the conflict could begin, the agreement limited the number and kinds of strikes the labor confederation could be drawn into. Financially in ruins, the confederation quickly revised its constitution in 1900. The change empowered a three-quarters majority of its representative council to require a member union to conclude or prevent a work stoppage "when it has assumed, or threatens to assume, such dimensions that it endangers the peaceful continuance of work in the other trades."[9] Endangerment of other trades meant, presumably, provoking lockouts, the effect if not the purpose of which was to drag the unwilling confederation into expensive full-scale confrontations.

The years after 1900 saw only minor growth in the formal power of the DSF over its member unions' bargaining practices. It was to remain the least centralized of the Scandinavian labor confederations.[10] In practice, however, collective regulation of pay and working conditions be-

[8] This discussion on Denmark relies largely on Sophus Agerholm and Anders Vigen, *Arbejdsgiverforeningen gennem 25 Aar: 1896–1921* (The employers' confederation through twenty-five years) (Copenhagen: Dansk Arbejdsgiverforeningen, 1921), 3–142.

[9] Walter Galenson, *The Danish System of Industrial Relations: A Study in Industrial Peace* (New York: Russel and Russel, 1952), 59.

[10] Ibid., 2–3.

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came highly if unstably centralized at the peak level because Danish employers, being the *most* unified and centralized, periodically used multiemployer and multisectoral lockouts to force formally autonomous unions to accept if not seek the central mediation and support of the DSF. The DAF indeed wanted further formal centralization of DSF authority, but it was forced to apply the disciplinary lockout repeatedly until the 1930s. Then Social Democratic governments began applying additional disciplinary force by regulating voting procedures in strike referenda and with compulsory and binding arbitration agreements.

In Sweden centralization of union power got off to a slower start but advanced further. From a position of impressive strength organized employers coerced the most recalcitrant unions to accept centralization. The key formative events occurred in the 1930s and bear interesting similarities to Danish events forty years earlier. Strikes in the high-wage building trades in 1933 were accompanied by threats of a sweeping multiindustry sympathy lockout by the Swedish Employers' Confederation (SAF). The leadership of LO (the Swedish Labor Confederation) quickly intervened, as this was no idle threat. Massive lockouts of similar nature had inflicted devastating financial and membership losses on LO (particularly after it was dragged into supporting a general strike in 1909).[11] Also pushing LO to gain control of its member unions, the Social Democratic government threatened statutory intervention. In 1938 at Saltsjöbaden LO and SAF signed a peak-level agreement that in many respects resembled the Danes' September Agreement of 1899. By signing at Saltsjöbaden, LO leaders agreed implicitly that, among other things, they should refuse support to striking unions (and for workers locked out in response) when the unions in question failed to abide by procedural formalities before taking action. Precipitous action and disregard for procedure was characteristic of highly successful militancy, especially in sectors like construction, whose unions opposed the agreement.[12]

In conjunction with negotiation of the 1938 agreement, and to secure the ability to enforce it, LO leaders formally responded to external (and internal) pressures to centralize control much as DSF leaders did after the September Agreement. Organizational reforms passed in 1941 gave LO the authority to veto all strikes involving more than 3 percent of an LO union's members, thereby strengthening their mandate to keep strike

[11] Bernt Schiller, *Storstrejken 1909: Förhistoria och orsaker* (The general strike of 1909: Background and causes) (Göteborg: Akademiförlaget, 1967).

[12] There was of course much more to the agreement. See Sven Anders Söderpalm, *Arbetsgivarna och Saltsjöbadspolitiken: En historisk studie i samarbetet på svensk arbetsmarknad* (Employers and the politics of Saltsjöbaden: A historical study of cooperation in the Swedish labor market) (Stockholm: SAF, 1980).

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funds under lock and key. They also passed a resolution forcing member unions to incorporate LO's previously recommended standard bylaws (*normalstadgar*), which had been drawn up in 1933, the year of the construction strike. Most important, these banned binding membership referenda on strike and contract matters. (In the construction sector, the vote of the membership had frequently overridden more restrained leaders.) Construction and typographical unions spoke out against the 1941 reform but accepted it; refusal to do so would have meant expulsion and perhaps suicidal isolation in the face of the combined might of employers.[13]

The Motive: Redistribution

Employers' desire and means to corral unions into centralized structures were unmistakable and similar in both Denmark and Sweden. Comparative analysis of the internal politics of the employers' confederations suggests also a shared motive. The fact that strikes in the construction trades precipitated the developments in both countries is already a clue. As early as 1907, when Danish, Swedish, and Norwegian employers met in Copenhagen to discuss Nordic employer cooperation, one of the few substantive resolutions they made regarding wage policies was to "keep earnings in the building trades roughly in line with earnings in other industries."[14] By other industries is meant above all those active in or at least vulnerable to international trade (producers of traded goods)—metalworking in particular. Not subject to international price competition, home-market, or sheltered, employers could more easily pass on the costs of high wages to consumers. Indeed, control of the intersectoral pay structure was a prime motive for encouraging unions to centralize authority across industries, since short of statutory control, centralized peak-level coordination was the only sure way of maintaining control without frequent resort to the lockout. For the lockout had its costs of course—financial ones for employers' organizations, but also in terms of internal solidarity between those who at any particular time might be eager to lock out and those who could make peace and profits (at higher wages) simultaneously.

High and rapidly rising pay in the sheltered building trades often caused difficulties for internationally vulnerable metals employers in se-

[13] Axel Hadenius, *Facklig organisationsutveckling: En studie av Landsorganisationen i Sverige* (Union organizational development: A study of the confederation of labor in Sweden) (Stockholm: Rabén & Sjögren, 1976), 57–68, 126–30.

[14] Anders Vigen, *De Nordiske Arbejdsgiverforeningers Samarbejde gennem 20 Aar* (The Nordic employer associations' cooperation over twenty years) (Copenhagen: Langkjær, 1927), 33–34.

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curing the labor and cooperation of painters, electricians, plumbers, woodworkers, carpenters, and others needed for shipbuilding, electronics, and the manufacture of railroad cars and automobiles. Paying them competitive wages often upset internal pay differentials within those sectors and aroused further militancy within the metalworkers' union. Further, high wages in construction led to higher fixed capital costs, and militancy could disrupt the timely expansion of manufacturing capacity to meet fleeting market opportunities. Building wages translated into higher rents, which in turn generated greater pressure for wage increases outside of the building trades. Relatively low wages and expensive, scarce, and extremely cramped worker housing made it difficult to attract labor during expansion. Militancy spread across sectors to interrupt production and delivery in markets where buyers could easily be lost to international competitors poaching for new market shares. High wages could also mean the loss of domestic markets to imports.[15]

Though they were probably to benefit from it in the long run, employers in construction were not the driving force behind centralization of bargaining institutions. In intraorganizational politics they were the clear losers. In fact, employers in metals and engineering exposed to, though not particularly active in, heavy international competition were the most militant of all in pushing for centralization and the terms of the Danes' September Agreement. In the DAF's early years these employers fought an "open war" against Niels Andersen, the leader of the confederation (from the building industry); he was considered too moderate in his dealings with the unions and too willing to submit disputes to arbitration. But after the 1899 lockout and the September Agreement, and a revival of tensions and near repeat of the lockout in 1907, relations between employers in the metals and construction industries were calmed by the DAF's escalating militancy. In 1907 employers in the metals industry (accused by others of having "the lockout disease") achieved better representation in DAF, and by 1911, Andersen's most vocal critic, S. C. Hauberg (from the metals sector), had taken over leadership of the powerful confederation.[16]

Similar yet more drawn-out tensions between employers in home-market and internationally exposed industries were present in Sweden. Tensions finally eased in the 1930s, when SAF undertook to clear the con-

[15] See Karl-Olof Faxén, "Några kommentarer till SAFs lönepolitiska uttalanden under 1920-talet," in Eskil Wadensjö, Åke Dahlberg, and Bertil Holmlund, eds., *Vingarnas trygghet: Arbetsmarknad, ekonomi och politik* (The safety of wings: Labor markets, economics, and politics) (Lund: Dialogos, 1989).

[16] Agerholm and Vigen (fn. 8), 26–28, 42, 153, 159–61, 173–90, 283.

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struction industry of a jungle of practices that facilitated successful guerrilla warfare by building tradesmen. By that decade export-oriented employers had established considerable power in SAF, though not without losing a faction of building contractors that bolted from SAF about 1933. The process began in 1917, when independently organized engineering employers joined SAF, trading in their autonomy for substantial control within the confederation. Not surprisingly, the following year the SAF leadership under Hjalmar von Sydow dropped its old misgivings about absorbing construction employers; it turned to the more encompassing Danish and Norwegian employers' confederations for a model of how to control construction workers.[17] SAF's hopes were dashed when employers in construction settled in 1924 for high increases and, even worse, a system of piece-rate setting that would have severe wage-inflationary consequences in the 1930s.[18] Despite the depression, wages and militancy continued to rise, uncontrolled by unions and employers in the building industry.[19]

During the depression employers in traded goods were forced to reduce prices to maintain production, and unions like the metalworkers accommodated them by accepting wage reductions. Their ability to do so was limited by the fact that the metalworkers' militancy could not be contained long if pay differentials across sectors were not reduced and kept under control. The leadership of the metalworkers' union had proved its reliability, having recognized the costs of militancy and strikes in terms of lost jobs and pay resulting from the loss of unrecoverable market shares in intense international competition. It could not maintain long-term restraint, however, if wages in home-market sectors were not somehow indirectly subjected to the same discipline.[20]

Employers in SAF threatened a sweeping economy-wide lockout in response to strikes in the building trades begun in 1933. The Social Democratic government also threatened intervention. Unions representing members paying high rents and suffering from job and housing shortages naturally had mixed feelings about LO fulfilling its obligations to support construction workers.[21] As a consequence of pressure from So-

[17] Centrala Arbetsgifvareförbundet, *En Minnesskrift, 1903–1918* (Memorial publication, 1903–1918) (Stockholm: Centrala Arbetsgifvareförbundet, 1919), 35–36.

[18] Carl Hallendorff, *Svenska Arbetsgifvareföreningen* (The Swedish employers' confederation) (Stockholm: SAF, 1927), 158–61.

[19] For reasons, see especially Hartmut Apitzsch, "Byggnadsbranschen: Produktionsförhållanden och organisationsstruktur" (Construction: Production relations and organizational structure), *Arkiv för studier i arbetarrörelsens historia* 2 (1972).

[20] For a lengthier discussion and references, see Swenson, *Fair Shares: Unions, Pay, and Politics in Sweden and West Germany* (Ithaca, N.Y.: Cornell University Press, 1989), 42–53.

[21] Bo Carlson, *Trade Unions in Sweden* (Stockholm: Tiden, 1969), 37.

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cial Democrats, Agrarians, and SAF, LO finally prevailed on the construction unions to call off the strikes. The confederation stepped in again with even less hesitation in 1937 with a "brutal public rebuke" of two of its own construction unions that had called strikes.[22] For employers interested in maintaining international competitiveness by keeping sheltered wage-setting under control, this was icing on the cake from a labor movement that was already offering itself as an ally against militant syndicalists and communists. Moreover, unions like the metalworkers' were proving increasingly pliant about rationalization and automation. With enemies like these, who needed friends?

Small Cold States and Cross-Class Alliances

For employers in small economies dependent on or vulnerable to international trade, problems with regulating pay across home-market and traded-goods sectors were probably more acute than they were elsewhere. In large countries employers in traded goods had larger home markets and were therefore better insulated from international discipline. They would have been better able to raise prices along with wages to keep up with the construction industry. Their ability to withstand strikes may also have been greater when they resisted following construction wages; that is, using their *national* employer organizations, trade associations, and perhaps connections to centralized banks, they could coordinate punitive action against domestic competitors who poached on market shares made available by strikes. They could also coordinate domestic efforts to choke off supplies to employers making unacceptable agreements with unions; and they could more easily arrange the sharing of workers or facilities from far and wide to fill orders.[23] Internationally competing employers in small countries lacked large home markets, had no punitive devices against foreign competitors who took advantage of them when they were downed by strikes, could not enlist foreign businessmen to boycott employers making unacceptable deals with unions, and for reasons of scale (and no doubt because there were fewer regional and ethnic obstacles to solidarity) had a smaller pool of workers available as scabs.[24]

[22] Klas Åmark, *Facklig makt och fackligt medlemskap: De svenska fackförbundens medlemsutveckling 1890–1940* (Union power and union membership: Swedish unions' membership development) (Stockholm: Arkiv, 1986), 153.

[23] On the use of some of these practices in the U.S., see Clarence Bonnett, *Employers' Associations in the United States: A Study of Typical Associations* (New York: Macmillan, 1922), 45, 74–75, 109, 116, 140.

[24] Adolf Weber mentions German employers' problems in coordinating solidarity with foreign manufacturers to limit poaching, help fill orders, blacklist strikers who cross borders, procure scabs, and generate financial help; see Weber, *Der Kampf zwischen Kapital und Ar-*

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For internationally competing employers in northern climates, the problems of intersectoral pay deviations, and therefore need for centralized control, were especially acute. Concerned about the problem caused by high differentials, engineering employers in Sweden compiled crude but nevertheless suggestive evidence showing that in 1930 differentials between metals and construction sectors in Scandinavia were substantially greater than they were elsewhere in Europe. One reason for the high differentials probably lay in the long Scandinavian winters, where low temperatures and short daylight hours make construction slow and costly. (See Table 1 for engineering employers' wage data and temperature conditions.) Mixing, placing, and curing concrete and brick or stone mortar at freezing temperatures and after an early nightfall required extra heating, lighting, and shelter.[25] To compensate for winters with little or no pay when construction ceased, workers in the trade demanded high wages and had the bargaining power to wrest them from contractors pressured by anxious speculators and manufacturers eager to finish their apartment buildings and industrial plants during the short building season.[26]

TABLE 1
HOURLY EARNINGS FOR MASONS AS A PERCENTAGE OF PAY FOR TURNERS AND FILERS IN SIX EUROPEAN CITIES (1930)

	Pay Differential	*Temperature (F)*[a] *(December–February)*
Stockholm	216	23.7
Copenhagen	152	29.7
Amsterdam	109	34
Warsaw	98	23
Rome	95	39.7
Belgrade	63	28

SOURCES: George Styrman, *Verkstadsföreningen 1896–1945* (The engineering association, 1896–1945) (Stockholm: Norstedt, 1946), 228; H. McKinley and Linda L. Liston, *The Weather Handbook* (Atlanta, Ga.: Conway Research, 1974).

[a] Average daily minimum, measured over 25–30 years.

beit: Gewerkschaften und Arbeitgeberverbände in Deutschland (The struggle between capital and labor: Unions and employer associations in Germany) (Tübingen: J. C. B. Mohr, 1921), 195–96.

[25] According to one estimate, there could be a fivefold increase in labor hours per cubic yard for mixing, placing, and curing concrete over what was required in ordinary weather, due to extra waiting time and use of heaters and protective enclosures. See H. E. Pulver, *Construction Estimates and Costs* (New York: McGraw-Hill, 1947), 137; and also Ralph P. Stoddard, *Brick Structures: How to Build Them* (New York: McGraw-Hill, 1946), 47–50.

[26] The relationship between temperature and high differentials in Table 1 does not show

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Competing internationally from small northern countries, Danish and Swedish employers thus pushed hard for centralized, intersectoral control, especially over construction wages. The Swedish experience of the 1930s shows that employers had allies behind centralization—those with related interests, such as farmers. Most important to emphasize here are the interests of *unions* outside of the construction sector, in particular, metalworkers. Their leaders supported centralization because of internal membership discontent, when, in the face of militant employers and unemployment, they negotiated wage reductions while construction wages raced ahead. Unions pressed by their membership to level wages within as well as across sectors could not at the same time keep the wages of skilled workers in line with wages in construction without compensatory and divisive reductions of wages for unskilled workers.[27]

In Denmark another, somewhat different cross-class alliance underlay early centralization. Employers in engineering also wanted to contain construction wages. Again the union of skilled metalworkers was a key supporter of centralization. In this case, however, the most vocal opponents of centralization in the decades after the 1899 confrontation were probably not the construction unions representing skilled craftsmen; they were rather unskilled laborers—including both metalworkers and construction laborers—who unlike their Swedish counterparts were organized separately in their own general union. While the Swedish Metalworkers' Union representing both the skilled and the unskilled pushed successfully for interoccupational leveling, skilled Danish metalworkers supported employers' efforts to maintain differentials. Hence, playing a dominant role in the DSF and bitterly opposed by the laborers' union, they supported centralization and implicitly backed the employers' confederation against the militant but weak union of unskilled workers.[28]

In both countries, then, there was a class-splitting, cross-class alliance between employer and union groups in support of centralization. Employers in both countries pushed for centralization, using lockouts and threats of lockouts to force resistant but isolated and therefore economically vulnerable unions into the arrangement. In Sweden, as the following discussion shows, the Social Democratic Party and the government joined the alliance against construction workers. In Denmark, Social

up for Poland and Yugoslavia, where—to speculate—perhaps less mass production in metalworking, less urban-industrial construction, more repressive treatment of unions, and alternative livelihoods for construction workers in winter months affected relative wages differently.

[27] For more on the unions' distributional dilemmas (the "trilemma") and their related attitudes toward bargaining structures, see Swenson (fn. 20).

[28] See Galenson (fn. 9).

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Democrats intervened more against the unskilled general laborers' union, which was bitterly critical of the party, allied as it was with skilled metalworkers who favored centralization. Construction tradesmen do not figure in the vocal opposition, since employers *alone* had already brought relative pay for skilled building tradesmen under control and since further savings on building wage costs could be squeezed separately out of unskilled laborers.

Competing Views on Centralization and Implications for Understanding Social Democracy

The comparative literature of the last decade reveals considerable consensus about the institutional and coalitional foundations of the social democratic political economy. According to this consensus, a changing balance of power or distribution of power resources between capital and labor as undifferentiated blocs explains changes in institutionalized class relations—to the overall benefit of one and at the expense of the other.

This now-conventional analysis of institutionalized "labor inclusion" can be broken down into two somewhat contradictory historical renditions, which are criticized below. According to the first, politically strong and centralized union confederations emerged after and because Social Democrats achieved power in alliances with farmers that excluded industrial capital. The second view more or less reverses the sequence and holds that centralized unions gave labor the power resources to achieve and maintain parliamentary power at the expense of capital—or at least against the resistance of capital.

In either case, the Left parlayed power resources from one arena into advances in the other. Both versions support the widely held view, also challenged below, that the precipitous decline in industrial conflict in the 1930s can be explained by the achievement of parliamentary power backed by organizational centralization; that is, labor could achieve by legislative means what once required strikes. Drawing on the foregoing case-historical analysis, the following discussions deal with these contentions, showing that each is unfounded and that the causal connections between the related phenomena are better represented by the cross-class alliance model.

Red-Green Alliances, Capital Exclusion, and Corporatism

According to one version of the power balance model, once Swedish Social Democrats came to power with help from the Agrarian Party in 1932, employers were forced to back off and seek cooperative re-

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lations with labor. Simply stated, according to John Stephens, "Swedish 'corporatism' was the result of the labour movement's strength."[29] Gregory Luebbert states the argument most explicitly in his comparative-historical explanation of different political realignments and regime changes in interwar Europe. In his view, the majoritarian alliances of Social Democrats and small farmers in Scandinavia and Czechoslovakia "created a stable power base" on which "they could build the corporatist institutions that consolidated their hold on the state and the working class." And the resulting centralized, encompassing unions "offset the otherwise inherent advantages of employers in collective bargaining and in the polity." Luebbert then argues that "from this position of dominance, they could, in turn, induce the collaboration of the business community."[30] He suggests that by excluding liberals, labor alliances with farmers excluded corporate capital as one of the "social foundations" of interwar social democracy.[31]

On the surface the Swedish case would seem to support the idea that the Social Democratic victory might have scared employers into centralized arrangements with unions, thus perhaps bestowing upon the labor confederation power never before enjoyed. According to a widely held view, employers in the 1930s dropped demands for state control of labor because conservatives could no longer be counted on to control the legislative process. Friendly compromise now appeared superior to legislation for achieving labor peace.

Certain facts cast doubt on this account. Even *before* the Social Democrats came to power in 1932, dominant employers in SAF feared state intervention—beyond what they happily accomplished in 1928 by installing a labor court with the power to award damages for violations of negotiated procedural and peace agreements. After 1928 ambivalent employers desired additional legal control primarily over strike and boycott tactics of syndicalists and communists. Responding to pressure from the Right, Social Democrats obliged by proposing just such legislation, which they withdrew in 1936 when their Agrarian allies lost interest.

[29] John Stephens, *The Transition from Capitalism to Socialism* (London: Macmillan, 1979), 135. To be fair, Stephens's analysis is eclectic: he correctly attributes earlier steps in centralization (pp. 42–45) to lockouts but also to "industrial infrastructure," which is wrong (see pp. 531–35 below).

[30] By saying capital was "induced to collaborate" Luebbert indicates incorrectly that capital was dominated, reluctant, and disadvantaged—if not fully "excluded." See Luebbert, "Social Foundations of Political Order in Interwar Europe," *World Politics* 39 (July 1987), 449–78, at 463–64.

[31] In the same tradition Ronald Rogowski also depicts the social democratic coalition, at least in Sweden, as capital exclusive; see Rogowski, *Commerce and Coalitions* (Princeton: Princeton University Press, 1990).

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The Social Democrats, who had made no move to prevent the massive lockout threatened in 1933, included no measures in labor legislation to disarm employers—unlike New Deal Democrats in the U.S.! For these reasons, it hardly makes sense to depict employers' continued moves toward Saltsjöbaden after 1936 as any kind of political retreat extorted by threats of legislation.[32]

In the case of Denmark the partisan realignment of the 1930s cannot possibly account for strengthening centralized union power, which occurred much earlier under employer pressure. On the surface, however, at least one aspect of the Danish case might seem to confirm the picture drawn by Luebbert and others of social democracy as a coalition excluding or even hostile to capital. With the Kanslergade Agreement of 1933, the Agrarian Party gave the Danish Social Democrats the majority they needed to block the offensive lockout with which employers planned to impose a 20 percent wage reduction across the economy. As in Sweden, so in Denmark farmers gave Social Democrats the support necessary to stimulate the economy with a job creation program. In exchange, farmers demanded agricultural subsidies and because of the importance of agricultural exports, a 10 percent devaluation of the Danish crown.

Walter Galenson points out that the agreement "was received with bitterness by the employers, who denounced the Agrarian Party for delivering a 'brutal blow' to business interests under pressure from its semi-fascist extremist wing."[33] There are reasons to think however that this protest was in part symbolic (possibly to placate home-market employers). The Kanslergade Agreement did not lay waste the entirety of "business interests," since for employers vulnerable to foreign competition, a 10 percent devaluation could partially compensate for the disappointment of not achieving the 20 percent wage cut. This would have been true especially for capital-intensive, high-value-added industries using relatively few imported inputs.

At the same time, Danish manufacturers were favored by exchange controls, which gave them privileged access to foreign currency (especially for the purchase of British coal). Due to this pattern of advantages, in combination with quantitative import restrictions introduced in early 1932 and a strategy of import substitution via exchange controls, Danish manufacturing output increased so rapidly that the decade of the Great

[32] See, e.g., Sten Andersson, *Mellan Åkarp och Saltsjöbaden 1923–1928* (Between Åkarp and Saltsjöbaden) (Stockholm: Almqvist and Wiksell, 1990).

[33] Galenson (fn. 9), 131–32. Katzenstein (fn. 6) repeats the consensus in saying that the agreement "was directed against the Conservatives and their supporters in the business community" (p. 142).

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Depression has been described as the "second wave of Danish industrialization."[34] Students of Latin American import-substitution strategies of the same period will see striking similarities to the Danish politico-economic realignment.

Manufacturers of traded goods in the Danish employers' confederation also gained from the tradition of government wage intervention initiated by the red-green coalition at Kanslergade. Repeated state intervention guaranteed intersectoral and interoccupational pay regulation substantially in harmony with what employers had already tried to impose with centralized control via the lockout. Soon after Kanslergade the coalition began using the new mechanism of compulsory arbitration against *unions* rather than employers, most notably against laborers but also, in 1939, against typographical workers. It is telling that this high-pay, home-market industry was the same industry whose unions in Sweden joined construction unions in resisting the institutional changes of the 1930s.[35]

As regards Denmark, therefore, the power of centralized unions was not generated by the red-green alliance and then applied to "induce the collaboration of capital," as Luebbert suggests. Compulsory arbitration following Kanslergade probably did more to freeze the existing crafts-based division of Danish (as compared with Swedish) unions than to further consolidate and centralize them.[36] Industry's collaboration with the Social Democrats was induced neither by the incentives nor by the threats that union centralization could deliver but rather by favorable legislation and administrative practice conforming to the interests of vulnerable manufacturers. Capital—at least a segment of it—was clearly included as a "social foundation" of Denmark's interwar regime.

[34] Hans Christian Johansen, *The Danish Economy in the Twentieth Century* (London: Croom Helm, 1987), 53–57. See also Erik Rasmussen, *Velfærdstaten på Vej 1913–1939* (The coming of the welfare state 1913–1939) (Copenhagen: Politikens Forlag, 1965), 416–28; and Harry Haue, Jørgen Olsen, Jørn Aarup-Kristensen, *Det ny Danmark, 1890–1978: Udviklingslinier og tendens* (The new Denmark, 1890–1978: Development patterns and tendencies) (Copenhagen: Munksgaard, 1980), 165–74.

[35] Galenson (fn. 9), 131.

[36] On the Czechoslovakian farmer-labor coalition, Luebbert cites Harry Klepetar, who in reference to the effect on unions only mentions compulsory arbitration and legislative extension of arbitrated settlements to unorganized firms. See Klepetar, *Seit 1918: Eine Geschichte der Tschechoslowakischen Republik* (Since 1918: A history of the Czechoslovakian republic) (Moravska Ostrava: Julius Kittls, 1937), 351, 357. Such intervention elsewhere in Europe weakened unions by making them dependents of the state and increasing employer antagonism. On interwar and postwar Germany, see Gerald Feldman and Irmgard Steinisch, *Industrie und Gewerkschaften 1918–1924: Die überforderte Zentralarbeitsgemeinschaft* (Industry and unions, 1918–1924) (Stuttgart: Deutsche Verlags-Anstalt, 1985); and Karl Anders, *Stein für Stein* [Stone by stone] (Hannover: Verlag für Literatur und Zeitgeschehen, 1969), 264–66. On interwar France, see Walter Kendall, *The Labour Movement in Europe* (London: Allen Lane, 1975), 74.

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The encompassing character of the cross-class alliances in Scandinavia can also be seen in the way the distributional aims of centralization shared by union and employer groups alike also facilitated the parliamentary farmer-labor coalitions in the two countries. There was more to the Swedish and Danish farmers' willingness to join Social Democrats in these cross-class coalitions than the newfound sympathy they received for agrarian protection. Farmers also stood to benefit from the wage restraint that the centralized and disciplined unions exercised with the help of fraternal pressure from Social Democrats. Even small farmers typical of Scandinavia relied on laborers, sometimes only a few and only seasonally, but no less critically during peak harvest, haymaking, and planting and slaughter times. High pay in construction and resulting pay increases elsewhere tended to make farm workers increasingly expensive and prone to join the urban labor force at the worst possible moments.

For the leadership of the Agrarian Party in Sweden the most difficult thing to accept about the Social Democratic crisis plan in 1933 was its insistence that public housing projects pay the standard union rates, which threatened to jump too far ahead of farm wages. With their hopes staked on publicly financed housing construction as the solution to unemployment, LO and Social Democrats applied direct pressure to construction unions to accept defeat after their ten-month-long strike. Only then would the Agrarian Party agree to release government funds for the housing program.[37] Another intervention in 1937 and the Saltsjöbaden Agreement in 1938 reconfirmed for the Agrarians the reliability of LO and the Social Democrats.[38]

Danish dairy and meat farmers, who were very active in international trade, were also brought into the cross-class alliance of the 1930s on the same terms that appealed to manufacturers of traded goods—devaluation and control of the interindustry and interoccupational pay structure. The Agrarians' trust in the Social Democrats as coalition partners could only have been enhanced by the fact that they supported the centralization following the September Agreement of 1899 and the taming of

[37] See Olle Nyman, *Svensk parlamentarism 1932–1936: Från minoritetsparlamentarism till majoritetskoalition* (Swedish parliamentary government, 1932–1936: From minority government to majority coalition) (Uppsala: Almqvist and Wiksell, 1947), esp. 108–12, 136–37, 158, 528–32.

[38] Peter Gourevitch collapses the 1933 crisis agreement with the Agrarians and the 1938 agreement and incorrectly characterizes the Saltsjöbaden negotiations in 1938 as a time when farmers and government met with labor and employers. He misstates the nature of the agreement between labor and employers by asserting that labor gave up demands for socialization and agreed not to strike and that business "accepted high wages." In fact, business convinced the unions to accept wage *restraint* but not to renounce the use of strikes. See Gourevitch, *Politics in Hard Times: Comparative Responses to International Economic Crises* (Ithaca, N.Y.: Cornell University Press, 1986), 26, 141, 152, 179, 231.

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workers in sheltered, home-market sectors like construction; this applied particularly to unskilled laborers, who easily moved from farmstead to building site.[39] Relative pay for Danish construction workers was well under control in the 1930s, while in Sweden the problem of severe volatility in relative wages was only solved that decade.[40] (See Figures 1 and 2.)

In sum, because employers in traded goods desired further centralization to regulate the intersectoral pay structure, it can only be concluded that capital was integrated rather than excluded from the centralizing cross-class coalitions of the 1930s. Social Democrats, through actual (Denmark) or threatened (Sweden) intervention, accomplished what employer power had failed to do: impose a more stable centralization to the satisfaction of farmers and manufacturers alike. This interpretation of events in the 1930s better fits the facts than does the argument that centralization was a consequence of growing left-wing political power, aided by Agrarian support—to the exclusion and at the expense of capital.

Late Industrialization and Industrial Structure

While some adherents of the balance of class power argument look mistakenly for causes of centralized industrial relations in the new political power of the Left in the 1930s, some seek the answer in the peculiarities of the industrial structure of small, late-industrializing open economies. If this latter brand of analysis were correct, it could show how unions acquired their centralized power independently of employers' distributional interests, extraordinary power, and instrumental actions—in order then to be able to make better sense of the idea that centralization could be used as a source of power *against* capital.

The most significant influence on this point of view has been the work of Geoffrey Ingham.[41] In Sweden and Norway, which best sup-

[39] Luebbert makes a similar and intriguing argument in no way inconsistent with mine that small landowning farmers in Scandinavia were less reluctant than were such farmers elsewhere in Europe to join with Social Democrats because the latter had failed to make socialists out of many farm laborers and therefore to undermine class domination in the countryside.

[40] Note that for Sweden much of the 1932 drop in construction wages is attributable to an improvement in the sample of employers reporting wages; the real drop came afterward. Calculations for Denmark are from average hourly earnings for skilled carpenters and metalworkers in Copenhagen, and average daily summer wages are for temporary male agricultural day laborers receiving board. For Sweden, average daily wages are calculated for all industrial workers, skilled and unskilled, and for male temporary day laborers paying their own board (summer only). See also Galenson (fn. 9), 176–77.

[41] Ingham, *Strikes and Industrial Conflict: Britain and Scandinavia* (London: Macmillan, 1974). An influential body of literature on comparative political economy has drawn on Ingham's thesis to help explain the economic and political peculiarities of small, open, export-

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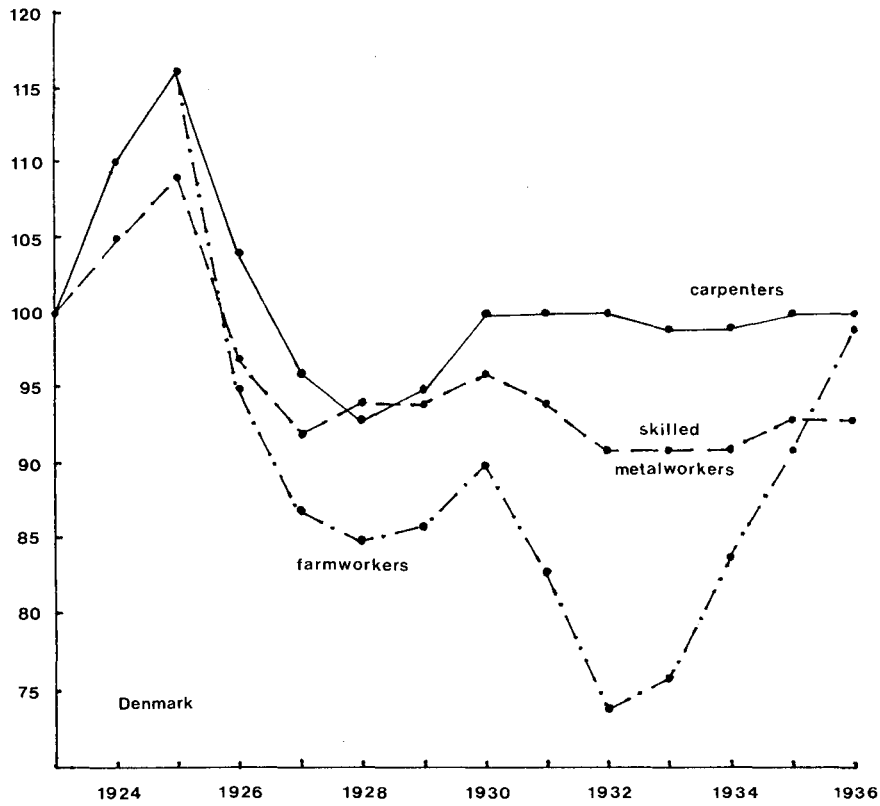

FIGURE 1
DENMARK: NOMINAL WAGE TRENDS IN THREE SECTORS (1923 = 100)

SOURCE: Det Statistiske Departement, *Statistisk Aarbog for Danmark*, various years.

port Ingham's case, late industrialization and orientation toward large export markets produced highly concentrated industries based on mass production rather than on crafts technology. Concentration of ownership and control facilitated the efforts of large manufacturers to organize effectively, especially since they carved out specialized export niches and thereby avoided competitive rivalries. Their mass-production technology exploited economies of scale for competition in large export markets and created a relatively homogeneous working class undivided by crafts par-

oriented economies. See, e.g., David Cameron, "The Expansion of the Public Economy: A Comparative Analysis," *American Political Science Review* 72 (December 1978), 1243–61, at 1256–57; and Stephens (fn. 29), 42–44, 127, 141. In his analysis of the strong corporatist tendencies of small states, Peter Katzenstein does not dwell on the question of how or why employers and unions centralized and relies instead on Cameron and Stephens for their arguments. See Katzenstein (fn. 6), 91, 104.

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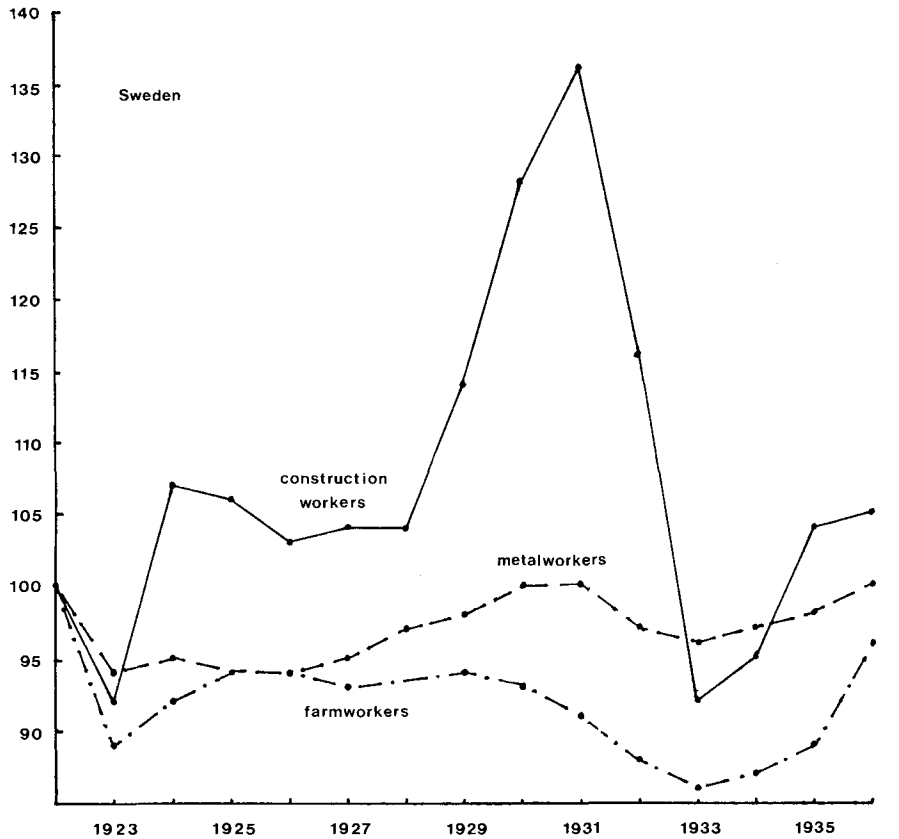

FIGURE 2
SWEDEN: NOMINAL WAGE TRENDS IN THREE SECTORS (1922 = 100)

SOURCE: Statistiska Centralbyrån, *Statistisk årsbok för Sverige*, various years.

ticularism. Centralized organizations of workers followed more or less naturally from homogeneity.[42] In Britain, by contrast, early industrialization and crafts-based small-scale enterprises left both employers and workers too numerous, diverse, and competitive to form strong centralized organizations.

The circumstances surrounding the formation of the Danish Employers' Confederation (DAF) in 1898 show the Ingham thesis to be entirely unsound. The *first* of the strong Scandinavian employer confederations to form, its actions led quickly to the early centralization of power in the Danish Labor Confederation (DSF). As founders of DAF, employers in the

[42] Ingham (fn. 41), esp. 35–36.

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highly fragmented home-market industries dominated the confederation, especially masters' associations in the various building trades. Even the most militant advocates of greater centralization (the relatively small employers in metalworking) manufactured goods mostly for the home market. That is, employers centralized early and sought centralized industrial relations in the very country and sectors where Ingham's analysis would say it is least likely to be found—in easy-entry, small-scale, crafts-based, and home-market sectors. This observation accords with evidence from the industrial relations literature that centralized multiemployer bargaining is most common where there is intense competition among small firms in product markets where ratios of labor to capital are high. Aside from the obvious need to counteract unions' whipsaw tactics, a compelling motivation for such employers to seek or accept centralized pay regulation is to "take wages out of competition"—to prevent the scamping of labor from competitors by overbidding them on the labor market and also to inhibit price warfare and to set up an entry barrier to low-wage/low-price competition.[43] Competition, fragmentation, and even old technology associated with early small-scale industry helped promote employer solidarity and centralization rather than, as Ingham suggests, inhibit it.

For this reason, no doubt, Ingham strains to place Denmark in the company of Sweden and Norway. In the case of Denmark he focuses on lockouts and employers' coercive actions to impose centralization, whereas he neglects the same in Sweden and Norway. Ironically, in focusing on employer solidarity in the country where its infrastructural conditions should have been the least conducive to unity, Ingham departs radically from his main argument. Instead of relying on a force deriving directly from his infrastructural conditions (as he suggests he does), he identifies an autonomous explanatory force as decisive without locating either its infrastructural or motivational origins.

In a similar critique of Ingham's argument, Peter Jackson and Keith Sisson turn, as do Stephens and Luebbert, to politics as the cause of centralization. In their argument, which differs from that of Stephens and Luebbert, political division on the Right early in the century (rather than Social Democratic strength alone in the 1930s) forced employers to rely on their own centralized devices rather than on the state to control labor.

[43] See Frank C. Pierson, "Cooperation among Managements in Collective Bargaining," *Labor Law Journal* 11 (July 1960), 621–28; Jules Backman, *Multi-Employer Bargaining* (New York: New York University Institute of Labor Relations and Social Security, 1951), 15–18; and Lloyd Ulman, "Connective Bargaining and Competitive Bargaining," *Scottish Journal of Political Economy* 21 (June 1974).

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Though plausible and historically better informed, their argument overestimates the importance of the 1902 general strike for worker suffrage in spurring centralized employer organization in Sweden. More important, it fails to identify decisive economic motives analyzed here that were present even without the political mobilization of labor and political division on the right.[44]

The Consequences of Centralization

One variant of the balance of class power interpretation has tended to draw on Ingham's explanation of centralization in order to use centralization to explain the relative political success of left-wing parties in electoral and parliamentary politics. David Cameron's work exemplifies best this integrative understanding of the causes and consequences of centralization.[45] His version, which differs distinctly from the work of Stephens and Luebbert, sees Social Democratic power as a consequence, and not a cause, of centralization. Although his argument about the consequences of centralization lacks secure footing in an explanation of centralization itself, it alone is plausible and influential enough to merit further analysis.

Do Strong Unions Explain Social Democratic Power?

In probably the best of a number of cross-national statistical analyses of social democracy, Cameron finds that one factor—centralized, encompassing, and densely organized union confederations—seems to explain much of the variation in left-wing political control of government. He proposes a causal mechanism to connect the two: the "organizational resources" of unions or "labor's strength" relative to capital—an argument he borrows from Walter Korpi.[46]

[44] Jackson and Sisson, "Employers' Confederations in Sweden and the U.K. and the Significance of Industrial Infrastructure," *British Journal of Industrial Relations* 14 (November 1976). Walter Korpi challenges Ingham's data, arguing that if anything British industry is more concentrated in terms of the largest firms' share of total industry employment; see Korpi, *The Working Class in Welfare Capitalism: Work, Unions and Politics in Sweden* (London: Routledge and Kegan Paul, 1978), 394. Curiously, like Ingham, even Korpi relies on data from the 1950s and 1960s; and neither speculates that these data might reflect *consequences*, and not causes, of earlier bargaining structures. In fact, centralized pay standardization in Sweden probably helped destroy many smaller enterprises.

[45] Cameron, "Social Democracy, Corporatism, Labour Quiescence, and the Representation of Economic Interests in Advanced Capitalist Society," in John H. Goldthorpe, ed., *Order and Conflict in Contemporary Capitalism* (New York: Oxford University Press, 1984), 163–64, 177. Cameron does not explicitly cite Ingham there but relies on Ingham elsewhere to explain centralization and its consequences; see Cameron (fn. 41), 1256–57.

[46] Similar arguments are made by Nils Elvander, *Skandinavisk arbetarrörelse* (Stockholm: Liberförlag, 1980), 312, 320, 333; and Andrew Martin, "Wages, Profits, and Investment in

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There is much intuitive appeal to this idea and possibly an element of truth. However, even strong corporatist unions have never been able to deliver solid or stable electoral and parliamentary majorities to left-wing parties and therefore to overcome what Adam Przeworski identifies as social democracy's dilemma in the struggle over votes—to go the route of radicalism with its attendant loss of moderate, often white-collar voters or to choose moderation and loss of radical, often blue-collar supporters.[47] Therefore, as Francis Castles demonstrates well, explanation of Social Democratic parliamentary domination must also consider the divisions and weaknesses of the parties to the right of Social Democrats.[48]

But even political division of the Right, characteristic of Scandinavia, probably does not adequately complete the explanation, because it fails to answer a nagging question posed by the concept of "relative power resources." If Swedish and Danish employers were as organizationally strong as depicted here, why were they unable to use that power to generate more frequent majority parliamentary coalitions against minority Social Democrats? Why with such resources did they fail to indoctrinate the electorate against Social Democratic ideas and to design strategies to unite conservative parties against the Left?

In part, they may simply have been unwilling to use their resources against the Left. The period of cross-class realignment in the 1930s, after which Social Democrats entered upon long periods of uninterrupted left-wing parliamentary control, was also a time when employers mostly withdrew from partisan politics and, with episodic exceptions, otherwise toned down their public propaganda against the Left. Instead of working primarily with and through rightist parties to win political influence, they bypassed the partisan route and dealt directly, confidently, and at times aggressively with Social Democratic governments.[49]

The concept of relative organizational resources in the hands of centralized labor confederations is therefore inadequate to the task of explaining the Left's political domination. Indeed, the historical record shows that it was employers' *strength*, not weakness, that helped bring about peak-level centralization at the same time the coalition was forged (at least in Sweden)—and then on distributional terms favorable to em-

Sweden," in Leon N. Lindberg and Charles S. Maier, eds., *The Politics of Inflation and Economic Stagnation* (Washington D.C.: Brookings Institution, 1985), 424–25.

[47] See especially Przeworski, "Social Democracy as a Historical Phenomenon," *New Left Review* 122 (July–August 1980), 27–58; and idem, "Party Strategy, Class Organization, and Individual Voting," in Przeworski (fn. 2), 99–132.

[48] Castles (fn. 4), 3–45.

[49] See, e.g., Sven-Anders Söderpalm, *Direktörsklubben* (The directors' club) (Lund: Rabén & Sjögren, 1976).

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ployers. Employer satisfaction with unions' behavior in collective bargaining can also help account for high levels of union membership, which along with centralization is ironically one of Cameron's indicators of labor strength relative to capital.[50] One cannot account for the fact that Social Democrats held control so securely for so many years without recognizing the contentment of employers and their consequent disinterest in mobilizing voter and party sentiments against the Social Democrats. Had it been otherwise, they would have sought more energetically to merge liberals and conservatives and entice the Agrarian Party (later the Center Party) into alternative coalitions with them.[51] That employers were quite satisfied with Social Democratic governments can be seen in the apparent obsolescence of the lockout—as well as the strike—following the Social Democrats' rise to power in the 1930s.

Does Social Democratic Power Make the Strike Obsolete?

As many since Ingham have observed, the labor peace that ensued in Denmark and Sweden following the 1930s is remarkable, especially in light of the extraordinarily high levels of conflict earlier on in the Scandinavian countries. The balance of class power school of thought on the political economy of social democracy has a ready explanation, offered by Korpi and Shalev, Cameron, and others.[52] This argument suggests that both centralization and parliamentary control gave to the Left power that made the strike obsolete. Douglass Hibbs takes this argument the furthest, arguing that the 1930s brought "a massive shift of political power away from business interests and their middle-class allies to the 'organized working class.' " The benefits gained thereby in the form of "collective consumption and distribution" made the strike obsolete as an instrument for achieving distributional and political ends.[53]

The focus on employers as powerful institution builders and the view of Social Democratic rule as a cross-class alliance with capital in this study casts doubt on the importance of labor's political strength in the "withering away of the strike" in Scandinavia. James Fulcher is one of the few to recognize that in Sweden at least the strike had already begun

[50] On the importance of employer recognition for union membership levels, see Clegg (fn. 5).

[51] That they could have done so is suggested by Leif Lewin's intriguing analysis of the fragility of the initial red-green alliance and the potential ability of Agrarians to be bought off by the Right as well as the Left; see Lewin, *Ideologi och strategi* (Stockholm: Norstedt, 1984).

[52] Korpi and Shalev (fn. 1, 1979 and 1980); Cameron (fn. 45, 1984).

[53] Hibbs, "On the Political Economy of Long-Run Trends in Strike Activity," *British Journal of Political Science* 8 (April 1978), 153–75.

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to decline in the 1920s, possibly due to the the new labor court.[54] More puzzling in the usual discussion of the statistical findings is the consistent failure to distinguish between the strike and the lockout. In their explanations of the decline of the strike in Scandinavia, all studies measure things like "days lost in disputes," a large portion of which—in some high-conflict years virtually all of them—were due to lockouts. In 1922, for example, 98.7 percent(!) of Danish workers directly involved in disputes were locked out, and the proportion of days lost due to lockouts would have been similar. Because of the nature of officially reported statistics on work stoppages, Hibbs's composite measure of "strike volume"—for Denmark at least—included man-days lost due to lockouts as well as strikes.[55]

Failure to distinguish between strikes and lockouts yields a distorted picture of the decline of industrial conflict in Scandinavia, and the question of why the lockout vanished faster than the strike is left unaddressed. From 1919 to 1932 in Denmark, on average 36 percent of workers directly involved in stoppages in any year were locked out rather than on strike. Between 1933 and 1955—after the Kanslergade Agreement and the introduction of compulsory arbitration by the Social Democrats—the figure plunges to about 5 percent. In Sweden, from 1919 to 1938 (Saltsjöbaden), on average each year 29 percent of workers in disputes were locked out or in "mixed disputes" involving both strikes and lockouts. From 1939 to 1949 that figure slips to below 2 percent.[56]

Since the lockout is usually called in defense against strikes initiated by unions, one might argue that its decline is simply a reflexive consequence of the decline of the strike. But this argument misses a key fact about the lockout in Denmark and Sweden—that it was both defensive

[54] Fulcher (fn. 1). But the court was not established until 1928, after the decline set in. Also, like Stephens and Luebbert, Fulcher errs in suggesting that the 1938 agreement followed a shift in employer strategy in response to Social Democratic power (pp. 237–42).

[55] Figures from Det Statistiske Departement, *Statistisk Aarbog for Danmark*, various years. Denmark's official statistics do not break down lost man-days as do those from Sweden. Korpi and Shalev (fn. 1, 1980) do not discuss their sources, but the deficiencies of official data make it unlikely that they excluded locked-out workers in their measure of "strike involvement." See also Ingham (fn. 41), 30. All seem to have taken their cue from Arthur M. Ross and Paul T. Hartman, who deliberately combined strikes and lockouts even when they were reported separately; see Ross and Hartman, *Changing Patterns of Industrial Conflict* (New York: Wiley, 1960), 184. The same holds for the comparative analysis of strikes in Edward Shorter and Charles Tilly, *Strikes in France 1830–1968* (London: Cambridge University Press, 1974), 306–34.

[56] After 1955 in Denmark and 1949 in Sweden, official statistics stop reporting lockouts. With the virtual disappearance of lockouts from 1937 onward in Denmark (when Social Democrats began using compulsory arbitration against the unions rather than against employers) and from 1939 onward in Sweden, the respective statistical bureaus stopped reporting them. Figures from Statistiska Centralbyrån, *Statistisk årsbok för Sverige*, various years; and Det Statistiske Departement, *Statistisk Aarbog for Danmark*, various years.

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and offensive simultaneously. It was useful in the first instance to block workers' immediate demands and whipsaw tactics by draining central strike funds. Empty strike funds brought at least temporary respite in following years. It was also used offensively in the 1920s to impose wage reductions. Furthermore, it was instrumental in forcing upon unions, against the will of many among them, the kind of centralized authority needed to control interindustry pay shifts. The September Agreement of 1899 in Denmark was pushed on the unions with an encompassing lockout offensive. The 1938 Saltsjöbaden Agreement in Sweden was also negotiated from a position of strength: employers were genuinely surprised in 1933 by the success of their lockout threat in spurring LO and the Social Democrats into action against construction unions.

One could also argue that the rapid decline of the lockout was a sign of labor's new political power, which deterred employers from using the lockout. Jackson and Sisson argue plausibly however that the relative weakness of the Swedish Right early in the century, compared with elsewhere in Europe, probably encouraged employers to rely on their own devices rather than on the state and therefore to become as organized and militant as they did. Why then would the further decline of the Right not make employers even more militant? In fact, employers in Sweden continued to threaten sweeping lockouts as late as the 1950s. They did not have to use them, however, for the Social Democratic government supported employers' objectives at the time, including even further centralization of LO and the bargaining process. Swedish Social Democrats never used their legislative power to challenge the legal right of employers to use the sympathy or any other kind of lockout, whereas labor in other countries fiercely opposes the right of employers to use the lockout. LO after all had promised to respect employers' right to the sympathetic lockout in the 1938 agreement.

With these considerations in mind, one is tempted to turn Korpi's and Hibbs's argument on its head and say that employers ceased using the lockout because, with the help of Social Democratic governments, they achieved distributional objectives that they had previously tried (unsuccessfully) to accomplish on their own. In other words, the political power gained by employer confederations in their cross-class coalitions with Social Democrats, unions, and farmers also caused them to lay down their most powerful weapon, one of the main purposes of which had been to halt the spread of wage increases and militancy from one sector to another. By allying with Social Democrats, employers in traded-goods sectors got the help they needed to stabilize the intersectoral pay structure, which they had only controlled with repeated and costly shows of force.

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The Danish Kanslergade Agreement of 1933, which introduced statutory pay setting based on compulsory arbitration, was initially used to forestall a lockout; soon afterward Social Democratic intervention was applied *instead* of lockouts.

In conclusion, the decline of industrial conflict in Scandinavia is not well explained by the idea of the growing power of the labor movement at the expense of capital. Using the lockout, employers had partially succeeded on their own in centralizing union control and reducing work stoppages. Before the First World War and during the interwar years employers in Denmark, unlike those in Sweden, asserted their centralized power without help from Social Democrats, with the possible result that conflict levels in Denmark were substantially lower.[57] Reduction in conflict levels after the 1930s occurred in part because the lockout rather than the strike had essentially become outmoded as an alternative to political influence and in part because the strike had become more risky for the militant unions left out of the alliance. Social Democratic governments, through compulsory arbitration in Denmark and threats of the same in Sweden, helped create centralized discipline along lines desired by employers.

Reconceptualizing Labor's Power: Market Position and Class Organization

This critique has sought to show that labor's organizational structure and parliamentary strength are not sources of power against capital. By focusing on these things, the balance of class power literature has misunderstood but mostly neglected the role of markets. The conventional focus on late industrialization and industrial structure has misled many away from the possibility that Scandinavia's past exceptionalism in labor politics is better accounted for by relatively tight labor markets and immobile capital vulnerable to international competition. Employers reacted to labor's associated advantages by building their extraordinary lockout arsenal. In contrast, early-twentieth-century waves of immigration favored American employers (to the consternation of Swedish employers) with large pools of surplus labor; later on American employers enjoyed greater geographic mobility within and outside their larger and more insular home markets. Early in the century U.S. employers routinely and effectively used strikebreakers; after the 1930s they often simply moved to escape labor's regionally limited legal and political protec-

[57] Between 1903 and 1935 the loss of man-days due to disputes relative to the number of organized workers in Denmark was greater than in Sweden in only five different years; in Norway, in only four different years. See Galenson (fn. 9), 192.

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tion. Thus, the multiemployer lockout as a weapon to control and shape labor played no significant role in American industrial relations.[58]

Hence, markets in Scandinavia gave workers and unions enormous overall advantages, including the power to constrain the range of strategic choices employers could make. They did not however give union leaders the instrumental power to dictate the shape of industrial organizations on terms they favored. (That ability seems to have been more characteristic of organized employers.) It therefore does not follow from the notion that labor's power derives from markets as well as organization and politics that Danish and Swedish workers could simply parlay their overall market advantages directly into organizational or political power against capital. The reality is much more complicated: although one labor group's distinct market position may have empowered it against capital, the same advantage may have activated other groups to form effective organizational and political alliances *with* capital.

So the case seemed to be in Denmark and Sweden, where union groups in a strong market position suffered material, organizational, and political losses as a result of the cross-class alliances of the 1930s. Here "strong market position" refers to the relative ability through independent action—strikes or price increases—to defend or raise one's share of factor income. The self-identified losers in the centralization of pay setting were workers in construction (especially unskilled laborers in Denmark) and in printing industries whose insulation from international market discipline placed them in a relatively advantageous market position. Their strong position was ultimately neutralized by the power of centralized actors intent on restraining or reducing their relative wages with organizational and political force. The self-identified and real winners were employers in a *weak* market position—manufacturers of traded goods vulnerable to permanent loss of market shares if they responded with higher prices to increasing wage and other costs originating from sectors like construction. They asserted control within their multi-industry confederations at the expense of less militant and organized employers in construction and then used their confederations to check the spread of wage pressures and rank-and-file militancy across sectoral lines.

Metalworkers placed in a weak market position by harsh international competition gained organizational power within their confederations and secured greater employment security if not higher wages from the changes in pay distribution resulting from centralization. Their union leaders stood to gain from neutralizing the discontent among the rank

[58] Only recently have Americans witnessed such a lockout—in that most American of all industries, baseball.

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and file generated by disturbances in the intersectoral and interoccupational pay structure, that is, when construction wages in Sweden rose and metalworkers' relative wages (and due to high rents, purchasing power) fell or when separately organized unskilled workers in Danish construction helped their counterparts close skill differentials in manufacturing.

Even if they lost little in material terms, construction employers in a relatively strong market position lost organizational dominance, political influence, and even entrepreneurial autonomy in the new institutional and political order built upon centralization. Danish manufacturers rather than builders benefited materially from the Social Democrats' interventionistic exchange and trade policies; builders would perhaps have been better off with the 20 percent wage reduction instead. While aggressive export employers in Sweden frightened Social Democrats during the early postwar period from asserting political control over investment and production, they actually encouraged government regulation of housing construction (countercyclical and locational) to meet manufacturers' manpower needs. In any event builders' basic economic position was probably enhanced on the demand side by the extensive housing programs initiated by Social Democrats during the depression. Indeed, the extra employment opportunities created in both countries by the crisis programs probably also helped compensate construction workers for their organizational and distributional defeats.

In sum, those groups among both capital and labor that had enjoyed a strong market position were more directly disadvantaged by centralization and the wider sociopolitical alliances of the 1930s; by contrast, those with weaker market power put together the alliance and gained materially and/or organizationally. The winners within both capital and labor used their respective coercive power—the sympathy lockout and state intervention (or threats thereof)—to discipline the losers. The cross-class realignment of the 1930s thus equalized across sectors the power applied in regulation of the intersectoral income structure. In shaping the new order, the collaborative deployment of organizational and political resources across class lines by groups sharing similar market positions proved more important than were resources generated and applied according to the logic of class polarization.

Conclusion: Rethinking Social Democratic Alliances

The cross-class political realignment that brought Social Democrats in Denmark and Sweden to power and helped them stay there included

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subpolitical alliances of union and employer groups behind centralized control of industrial relations and the intersectoral structure of pay. Within both capital and labor, conflicts between traded-goods sectors like engineering and sheltered home-market sectors like construction motivated the formation of cross-class alliances for control of intraclass competitors and opponents. Employer lockouts and Social Democratic intervention pushed in the same, not opposite, directions and for similar purposes. Social Democratic power substituted well for the lockout, and therefore the loss of working days due to industrial strife (including massive lockouts) subsided dramatically. The limited evidence available for Norway suggests the same factors help explain centralization, Social Democratic rule, and industrial peace beginning in the 1930s.[59]

Centralization and Social Democratic governments promised to hold urban wages down and thereby limit rural wage costs and the loss of labor to industry. Thus the cross-class industrial alliance favoring centralization in Denmark (primarily at the expense of unskilled laborers) probably facilitated and stabilized the parliamentary coalition between Agrarians and Social Democrats. In a similar horse trade of agrarian protection for urban employment, Swedish farmers made their support for creation of new jobs in housing construction conditional on control over militant construction workers and on limiting their high wages. Further, though Swedish building workers lost in terms of bargaining autonomy and relative wages, the depression-era construction program promised more jobs. The parliamentary alliance therefore helped repair divisions that had been created by the industrial-level alliance.

In conclusion, the cross-class alliance process that facilitated and sustained Social Democratic rule in Denmark and Sweden was far more complex, multilayered, and even time-consuming than has commonly been depicted. Viewing centralization of industrial relations as a step in the building of this alliance requires abandoning the common notion that capital was weak or passive relative to labor (or "the state" for that matter), and hence not a "social foundation" of the 1930s alignment. Cen-

[59] The 1935 agreement between the labor and employers' confederations (similar to the 1899 Danish and 1938 Swedish agreements) inaugurated Norway's "solidaristic wage policy" of holding back pay in construction, in consonance with employers' lockouts and legal strategies; Walter Galenson, *Labor in Norway* (New York: Russel and Russel, 1970), 80–81, 175, 245. Social Democrats and the metalworkers' union joined employers in support of centralized control over militant building tradesmen (who bolted from the trade union confederation), especially high-pay masons in Oslo. See Svein Dahl, "Norsk Arbeidsgiverforening 1927/28: Talbaketog og revurdering" (The Norwegian employers confederation 1927/28: Retreat and reevaluation), *Historisk tidsskrift* 1 (1981), 1–25; and Erling Petersen, *Norsk arbeidsgiverforening, 1900–1950* (The Norwegian employers' confederation, 1900–1950) (Oslo: NAF, 1950), 532–48.

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tralization did not, as is often supposed, give the Left added power to assert itself in parliamentary politics at the expense of capital. Nor did parliamentary success in alliance with farmers give labor the extra boost of power that it needed to centralize and therefore unify labor at the expense of employer power. Both of these ideas mistakenly attribute major institutional and political changes to a change in the balance of power between the undifferentiated and antagonistic blocs "capital" and "labor." By ignoring employer organization, strategy, and collective action that led to centralization, these notions distort our understanding of labor's limits—and opportunities—in capitalist democracies.[60]

[60] See also Swenson (fn. 3).

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SPECIFIC FACTORS, CAPITAL MARKETS, PORTFOLIO DIVERSIFICATION, AND FREE TRADE

Domestic Determinants of the Repeal of the Corn Laws

By CHERYL SCHONHARDT-BAILEY*

TWO strands of thought relating to Britain's historic move to free trade in 1846 offer contradictory interpretations of the underlying domestic economic and political forces at work. On the one hand, the Ricardo-Viner specific factors model implies that owners of two factors—land and capital—stood diametrically opposed to one another on the issue of free trade. In the end, according to this view, capital gained the upper hand as seen in the 1846 repeal of the Corn Laws. On the other hand, studies in the economic history literature posit that the economic interests of these two groups of factor owners were not mutually exclusive; rather, their interests overlapped as a result of rapid economic changes in the 1830s that intensified landowner diversification into nonagricultural ventures. The implication of the latter approach is that landowners as a group came to be divided between undiversified landowners, whose economic interests remained tied to agriculture, and diversified landowners, whose interests in agriculture had lessened while their interests in nonagricultural sectors had increased. Hence, the undiversified group remained the only true "losers" from free trade in grain; members of the diversified group, by contrast, stood to gain or simply became indifferent to free trade.

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Of course, inherent to both arguments is the assumption that members of Parliament voted according to the economic interests of their constituents. Elsewhere, I have demonstrated the validity of this assumption.[1] The scope and intent of this paper, then, is twofold. First, it discusses the specific factors model and its inadequacies as applied to nineteenth-century Britain, and it introduces two modifications that allow the model to account for the anomalies we observe in the British case. That is, I alter two key assumptions of the specific factors model by introducing the concepts of portfolio diversification and investment capital flows into the framework of factor specificity in the short run. The predicted political consequence of this modified version of the model is that diversification lessened widespread protectionist sentiment among the landed elite. In the context of a broader equilibrium model of trade policy liberalization, it disrupted the initial protectionist equilibrium by decreasing the political benefits that accrued to M.P.'s from voting in favor of protection.[2] Portfolio diversification alone did not give rise to free trade in Great Britain; but rather it was one of several factors that shifted the political cost/benefit ratio of M.P.'s in favor of free trade.

Second, this paper extends the concept of portfolio diversification, as presented in the economic history literature, to the realm of policy-making, using a statistical examination of the correlation between diminishing protectionist sentiment—through diversification—and the free trade policy outcome.

The Specific Factors Model and the Long- and Short-Run Dimensions of Capital Formation

The Ricardo-Viner specific factors model in neoclassical trade theory defines some factor inputs as industry specific and others as intersectorally mobile. Industry-specific factors give rise to industry-specific interests that may either favor or oppose protection, depending upon the form of trade competition facing the industry. Owners of factors specific to the domestic import-competing industry gain from protection (via a relatively higher price obtained from the industry good), while owners of factors specific to the export sector lose (similarly, via the relatively lower price of the industry good). The preference of the mobile factor owner (for example, labor) is ambiguous; that is, although he can move into the

[1] Cheryl Schonhardt-Bailey, "A Model of Trade Policy Liberalization: Looking Inside the British 'Hegemon' of the Nineteenth Century" (Ph.D. diss., University of California, Los Angeles, 1991), chap. 3.

[2] Ibid., chap. 1.

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protected sector, his welfare remains contingent upon his unique consumption preferences. It follows that owners of factors specific to a particular industry will tend to seek protection for their industry and oppose protection for any other industry, whereas mobile factor owners will remain largely inactive.

Standard trade theory texts applying the specific factors model to Britain and the repeal of the Corn Laws posit (1) that landowners (that is, owners of factors specific to the import-competing industry) and capitalists (that is, owners of factors specific to the export sector) deriving incomes from undiversified claims to factors opposed each other and (2) that after 1832 industrialists had taken over Parliament, thereby engineering the shift toward free trade.[3] The standard application of the specific factors model to the British case is correct in assuming that factors remained industry specific and that trade policy had the effect of redistributing income, thereby creating unambiguous winners and losers. However, the two points posited are incorrect.

Taking the second point first, while the 1832 Reform had extended suffrage to many middle-class manufacturers,[4] it did not, by 1846, substantially alter the composition of Parliament. The Parliament of 1841–47 remained firmly under the control of landowners. By one estimate, about 80 percent of Parliament consisted of the landowning aristocracy and gentry.[5] Certainly if landowners as a group in Parliament wished to halt the repeal legislation, they had the votes to do so.

It is, however, the first problematic aspect to which this paper is directed. The specific factors model implicitly assumes that (1) undiversified holdings of factors prevail (that is, each person owns only one, or primarily only one, factor of production), and (2) capital as a factor of production refers to the stock of fixed capital available for productive purposes. Extensions to neoclassical trade theory have at times relaxed the first assumption but have generally retained the second. Mayer, for instance, constructs an equilibrium tariff model that allows each person to own more than one factor and that allows factor shares to vary among people.[6] Each factor owner has an optimal tariff rate, the value of which is determined by the individual's factor ownership. The equilibrium tar-

[3] This application appears in Richard E. Caves and Ronald W. Jones, *World Trade and Payments* (Boston: Little, Brown, 1985).

[4] Before 1832 a significant number of manufacturers would have had sufficient property qualifications to vote; they would have done so, however, in constituencies where they constituted a small percentage of the electorate.

[5] W. O. Aydelotte, "The Country Gentlemen and the Repeal of the Corn Laws," *English Historical Review* 82, no. 322 (January 1967), 51.

[6] Wolfgang Mayer, "Endogenous Tariff Formation," *American Economic Review* 74, no. 4 (1984), 970–85.

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iff thus hinges upon the underlying factor-ownership distribution, and it is the median factor owner's optimal tariff that determines the actual tariff rate. Mayer applies the idea of diversified holdings both to the long-run Heckscher-Ohlin model and its resulting Stolper-Samuelson Theorem and to the short-run specific factors model. His intent is not to bridge the two models through the mechanism of portfolio diversification; rather, it is to explore the implications of his modified assumptions for the long-run adjustment of tariffs to changes in the distribution of factor ownership, voting costs, and voter eligibility rules and for the short-run attempts of small minorities of factor owners—under majority voting—to obtain tariff protection for their industries.

In contrast to Mayer's application of diversified holdings, this paper alters part of the assumption of undiversified holdings in the specific factors model and considers capital in two forms—as stocks and flows. With regard to diversified holdings, I argue that income accruing from the ownership of a specific factor (for example, capital originating from the productive use of land) could be invested in other, more profitable sectors of the economy.[7] As a consequence, the allocation of capital flows differed markedly from the allocation of capital stocks. Moreover, this flow of investment capital from one sector to another was facilitated by the newly emerging market in long-term capital, as evidenced by the rapid growth in British stock market activity during the second quarter of the nineteenth century.

Theoretically, the beginnings of a capital market can be interpreted as the start of a transition from a state in which capital is fixed to one in which it becomes more mobile between sectors. In Britain capital flows, responding to unequalized returns, shifted into higher yield industrial sectors of the economy, thereby altering the ownership distribution of capital stock. (Hence, a corollary argument may be given for capital market creation; that is, the more the allocation of flows diverges from the allocation of stocks, the greater the need for a capital market.) It should be acknowledged, however, that other forces may have come into play to delay the emergence of a long-run equilibrium for returns to investment across the different sectors. In the short run the new free-trade policy may have added to the existing inequality of returns by rewarding the owners of industrial capital (unless the capital market had previously fully taken into account the returns from a policy change—an unlikely

[7] For an excellent discussion of nineteenth-century British investors' responsiveness to fluctuations in investment opportunities, see R. C. Michie, *Money, Mania and Markets: Investment, Company Formation and the Stock Exchange in Nineteenth-Century Scotland* (Edinburgh: John Donald, 1981).

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event in such a nascent market). Thus, in the short run capital flows could, if sufficient, have generated a trade policy shift that created more inequality of returns, not equalization, even though in the very long run returns should have equalized. Nonetheless, the essential point is that the new ownership distribution created economic and political incentives for a policy change that favored owners of industrial stock (for example, a move to remove protection for agriculture). This said, the contribution of this paper is quite modest: it introduces portfolio diversification in nineteenth-century Britain into a medium-run model with a "dynamic" component, that is, capital flows that reflect divergent returns in industry and agriculture.

More to the point, however, portfolio diversification significantly alters the political interpretation originally posited by the specific factors model. Protective tariffs continued to be ardently favored or opposed by the owners of factors tied to specific industries.[8] However, the policy stance of factor owners whose returns could be reallocated elsewhere became ambiguous. This was so especially where these returns (in the form of investment capital) found their most profitable outlet in industries specific to other factor inputs. The interests of these individuals would have derived from each person's unique portfolio—that is, from the extent of diversified holdings or, interpreted strictly, from the discounted expected future income stream from holdings under each policy alternative (the latter clearly more difficult to gauge than the former).[9] Simply put, as landholders diversified more extensively, their interests either began to resemble more closely those of industrialists favoring free trade or became less sharply defined, thus bordering on indifference. Only those individuals who could not diversify out of agriculture (for example, tenant farmers and landowners on the verge of insolvency) would remain staunch advocates of protectionism.[10] Since the specific factors model misses the importance of a growing British capital market, it fails to recognize that the support for protectionism was diffusing

[8] These were individuals who were under some compulsion—perhaps impending insolvency—to reinvest flows in a factor that yielded less than (an) other factor(s).

[9] In an ideal world one would not engage a static model but rather would look to a dynamic one that incorporated future expected returns.

[10] It should be mentioned that undiversified farmers were enticed by the government to acquiesce to repeal, as evidenced most clearly in the "drainage loan" portion of the repeal legislation; see D. C. Moore, "The Corn Laws and High Farming," *Economic History Review*, 2d ser., 18, no. 3 (1965), 544–61. Nevertheless, many "marginal" farmers (i.e., grain farmers unable to increase production through advanced farming methods or unable to switch to other forms of farming) left Britain in the wake of repeal hoping to gain better returns for their capital investments in the U.S.; see William E. Van Vugt, "Running from Ruin?: The Emigration of British Farmers to the U.S.A. in the Wake of the Repeal of the Corn Laws," *Economic History Review*, 2d ser., 41, no. 3 (1988), 411–28.

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within the ranks of those who supposedly were its leading advocates. The division between owners of factors and their supposed conflict of interests, then, is much fuzzier than the model implies.

The Evidence

Evidence for the portfolio diversification hypothesis is presented below in two forms—empirical and statistical. The former draws from the economic history literature and offers a compelling account of the progression of diversification, especially its escalation from the late 1820s to the 1840s, a period of rapid growth in the newly emerging stocks and shares market. The latter attempts to establish a link between growing diversification and M.P. voting behavior on the question of free trade in grain.

Diversification in Economic History

Diversification of portfolios by landowners was by no means a new development in the nineteenth century. Beginning in the late sixteenth and early seventeenth centuries, both the older aristocracy and the rising gentry invested extensively in nonagricultural activities, including minerals and mining (coal, lead, steel, salt, alum, and so forth), urban development, shipping, and joint-stock companies. Lawrence Stone explained that even though "industry was not the road to great riches," it provided to both peers and gentry an interesting diversion, and an extension of the taste for gambling. In his analysis of 158 peerage families during the period 1560–1639, Stone found that 25 percent of these profited by mining activities on their estates; 9 percent invested in fen drainage; 15 percent in developing London; 14 percent in shipping; and 63 percent in trading, colonial, and industrial concerns. Moreover, he found the older nobility no less willing to invest in nonagricultural activities than was the newer nobility.[11]

J. H. Plumb extended the notion of diversification to the eighteenth century. According to Plumb, cheap water transport (provided through canal ventures) allowed greater diversification of portfolios among the gentry.[12] The opening of rivers and coastal traffic both enhanced agricultural production by creating new metropolitan markets for agricultural goods and created new outlets for enterprises in timber sales, gravel, and minerals.

[11] Stone, *The Crisis of the Aristocracy 1556–1641* (Oxford: Oxford University Press, 1965), 377–83.

[12] Plumb, *The Growth of Political Stability in England, 1675–1725* (London: Macmillan, 1967), 5.

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Consequently, by the early nineteenth century some landowners were at least marginally involved in industrial activities. The obvious question is then, why, given some degree of diversification, did landowners support agricultural protection as long as they did? It may be that (1) landowners diversified but the returns on their nonagricultural income were inconsequential relative to their agricultural income, (2) landowners' investment in nonagricultural sectors was small relative to their agricultural holdings, or (3) numbers of landowners actually diversifying remained few relative to those not diversifying. A fourth and quite different explanation is that the type of industrialization in the eighteenth century differed from that in the nineteenth; whereas the former was led by domestic demand, the latter was led by exports. Thus, landowners diversifying into industry in the eighteenth century would likely have retained their preference for agricultural protection, whereas landowners similarly diversifying in the nineteenth century would not. In any case, two critical economic changes in the second quarter of the nineteenth century—the expansion of exports in mining and heavy industry and the development of the capital market—marked that period as a turning point. There was an increase in (1) returns to diversified holdings, (2) the size of nonagricultural holdings, and (3) the numbers of landowners diversifying. These changes, moreover, transformed the process of investing outside of agriculture—all of which dampened landowner support for agricultural protection. Interestingly, both changes seem to have been triggered by (or to have coincided with) the same event—the beginning of the railway boom in the mid-1830s (peaking in 1836–37 and again in 1844–46).

The first such sudden economic change was the expansion of exports in mining and heavy industry. While export growth and the railway booms should actually be considered a two-way causal relationship,[13] this

[13] The literature explaining the various linkages between railways and the development of heavy industry in Britain is considerable. For instance, Llewellyn Woodward wrote that "the railways were one of the results of progress in the iron industry and of the increased consumption of coal brought about by the use of steam power. They were in turn the cause of a vast expansion in the metal trades and of a much greater demand for coal. Directly or indirectly they influenced the development of most industries in the country. [In addition] the railway itself was an article of export; British contractors built lines in every continent and organized companies to buy them"; see Woodward, *The Age of Reform, 1815–1870* (Oxford: Oxford University Press, 1962), 41. E. J. Hobsbawm found that the "immense [coal] industry, though probably not expanding fast enough for really massive industrialization on the modern scale, was sufficiently large to stimulate the basic invention which was to transform the capital-goods industries: the railway. For the mines not only required steam-engines in large quantities and of great power, but also required efficient means of transporting the great quantities of coal from coal-face to shaft and especially from pit-head to the point of shipment. The 'tramway' or 'railway' along which trucks ran was an obvious answer. . . . Technologically the railway is the child of the mine, and especially the northern English coal

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sudden export growth nevertheless was created in the very industries (coal, iron, steel) in which landowners had been longtime investors.[14] Although their portfolios already included such investments, the intensity and economic importance of these investments had increased with the growth of these industries.[15]

The second change was the development of the capital market. Although the beginnings of a formal market in capital may be traced to long-term borrowing by the state in the late seventeenth century, it was not until the early 1800s that the London Stock Exchange drafted a constitution and obtained its own building. The market of the eighteenth century was not a national market; rather, it was concentrated in London and largely confined to the trade of government securities.[16] From the beginning of the nineteenth century to the mid-1820s, very little share trading existed outside London. However, with the repeal in 1825 of the Bubble Act (which had required all companies to obtain a royal charter or an Act of Parliament and made it illegal for any broker to buy or sell

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mine"; see Hobsbawm, *The Age of Revolution, 1789–1848* (New York: New American Library, 1962), 63. He added that "in the first two decades of the railways (1830-1850) the output of iron in Britain rose from 680,000 to 2,250,000 [tons]. . . . The output of coal between 1830 and 1850 also trebled from 15 million tons to 49 million tons. That dramatic rise was due primarily to the railway, for on average each mile of the line required 300 tons of iron merely for track" (p. 64).

B. R. Mitchell clearly sketches the correlation between rising demand in the iron and coal industries and the railway booms and, moreover, the subsequent royalties accruing to landowners. For example, Mitchell explains that royalties usually consisted of a fixed rent plus a royalty paid according to the amount of coal extracted. From the early nineteenth century to the 1870s, royalties averaged between 8% and 11% of coal sales, or 6d to 9d per ton, or £50 to £180 per acre; see Mitchell, *Economic Development of the British Coal Industry, 1800–1914* (Cambridge: Cambridge University Press, 1984), 251–58.

It should be noted that while recent British historiography has discounted the Rostowian notion of a sudden industrial "takeoff" period, such revisions have applied not to the heavy industry stage of industrialization beginning in the 1830s but rather to the period from roughly 1780 to 1830; see N. F. R. Crafts, *British Economic Growth during the Industrial Revolution* (Oxford: Oxford University Press, 1985). Other useful sources that address the linkages between railways and the development of heavy industry (not to mention the large literature simply on railway development) include P. L. Cottrell, *Industrial Finance, 1830–1914* (London: Methuen, 1980); F. M. L. Thompson, *English Landed Society in the Nineteenth Century* (London: Routledge and Kegan Paul, 1963); and G. N. von Tunzelmann, *Steam Power and British Industrialization to 1860* (Oxford: Oxford University Press, 1978).

[14] See Thompson (fn. 13) for a discussion of the mineral incomes of several great landowners (e.g., Dukes of Northumberland and Portland, the Earl of Carlisle, Lords Hastings and Rokeby, Sir Matthew White Ridley, and the Earl of Durham) and gentry (e.g., the Claytons, Crofts, Bates, Edens, Riddells, Wrightsons). He noted that "landowners certainly drew large and increasing incomes from coal, but these were predominantly and increasingly in the shape of royalty and wayleave rents" (p. 264). Some gentry received mineral income equal to half their total income.

[15] One might add that landowners would be far more likely to invest in industries (mostly heavy) that had land occupying a larger share of assets—i.e., coal, iron, railways—than such light industries as cotton textiles.

[16] See, e.g., Cottrell (fn. 13); and E. Victor Morgan and W. A. Thomas, *The Stock Exchange: Its History and Functions* (London: Elek Books, 1962).

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shares in unchartered companies), share trading boomed as joint-stock companies—most notably insurance and banking companies—could now sell their shares on the stock exchange.[17] Further legislative restrictions on the privileges of incorporation were lifted in 1834, 1837, and 1844, thus contributing to the growth of trading in joint-stock companies.[18]

More importantly, after the successful opening of the Liverpool and Manchester line in 1830, confidence in railway stock surged, as evidenced by the "railway manias" of the mid-1830s and mid-1840s. After 1830 a company needed only to advertise in a railway journal that stocks were available to be flooded with applications. For example, in 1836 the New Gravesend Railway received 80,000 applications for the 30,000 available shares; the Great North of Scotland Railway, more than three times the number of its shares in 1845; the Direct Western Railway, 1,400,000 applications for its 120,000 shares; and the Direct London-Exeter, 400,000 for its 120,000 shares.[19]

Aside from later technological changes (telegraph, telephone), railway shares offered the single most important factor in the integration of Britain's emerging capital market—a common security that could be traded actively on more than one market. Without common securities, "localized imbalances in the supply of, or demand for, stocks and shares would continue to result in dramatic price fluctuations and an inability to meet requirements. With common securities, local price changes would generate an immediate flow from, or to, that centre so that all markets would rise and fall in line."[20]

Such common securities contributed especially to diminishing the previously localized nature of the provincial markets, as active trading between markets outside of London expanded throughout the 1830s and 1840s. Elsewhere I illustrate the rapid growth in provincial stockbroking and find that railway stocks propelled this growth.[21] Indeed, according

[17] Manufacturing and industrial enterprises were not as apt to benefit from the repeal of the Bubble Act since, unlike insurance companies whose ownership was corporate, these firms largely consisted of partnerships; see Michie (fn. 7), 62.

[18] See Morgan and Thomas (fn. 16), 125–31.

[19] Harold Pollins, "The Marketing of Railway Shares in the First Half of the Nineteenth Century," *Economic History Review*, 2d ser., 7, no. 2 (1954), 233.

[20] R. C. Michie, "The London Stock Exchange and the British Securities Market, 1850–1914," *Economic History Review* 2d ser., 38, no. 1 (1985), 68.

[21] Schonhardt-Bailey (fn. 1), chap. 4. Moreover, J. R. Killick and W. A. Thomas provide a listing of companies quoted on the Leeds, Liverpool, Manchester, and Newcastle exchanges that clearly illustrates the growing dominance of railway shares from 1837 to 1847; see Killick and Thomas, "The Provincial Stock Exchanges, 1830–1870, *Economic History Review*, 2d ser., 23, no. 1 (1970), 96–111.

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to one estimate, railway construction accounted "almost exclusively" for the establishment of the provincial long-term capital market.[22]

Nor was the emerging capital market limited to the English provinces; as the onslaught of railway and joint-stock promotion swept across the country, it sparked similar share trading in Scotland. During the period 1830–40 the massive expansion in the Scottish coal and iron industry led to an expansion of mining and heavy industry, which in turn required substantial investment capital.[23] Concurrently, the number of investors benefiting directly from the output of the enterprise (a feature of the earlier localized nature of investment) decreased, while the number of investors seeking primarily to maximize the return on tradable investment rose. By the end of the 1830s a national share market had developed in Scotland, with insurance companies and railway shares experiencing the most rapid growth. The early 1840s brought economic prosperity and with it surplus funds seeking investment opportunities. Given the excess funds in circulation, banks lowered their interest rates,[24] and consequently, stocks became "the most eligible and favourite" form of investment. Moreover, during the early 1840s higher rates of return from railway shares markedly altered the structure of the Scottish investment economy by elevating the importance of railway capital at the expense of all other investment sectors.[25]

Just as railway shares provided a common security for the provincial stock exchanges, so too did they link the emerging Scottish exchanges with their English counterparts. In 1846, for instance, English shareholders were the source of 38 percent of the funds provided for Scottish railways by large investors.[26] This cross-investment was not one-sided, however, as Scots similarly sought stock in English railways.[27] Finally, in addition to the provincial and Scottish stock exchanges, the London Stock Exchange itself exhibited the speculative mania associated with the railways. From 1844 to 1846 the annual number of Railway Acts passed

[22] Killick and Thomas (fn. 21), 110. See also W. A. Thomas, *The Provincial Stock Exchanges* (London: Frank Cass, 1973).

[23] Michie (fn. 7) estimates the gross capital formation in Scottish iron manufacture to have increased from 1.8 million *pounds* in 1828 to 6.6 million *pounds* by 1840 (p. 51).

[24] The Bank of England lowered its rate from 6% in late 1839 to 3% in 1846, while in Scotland, the rate fell from 3.5% in 1842 to 2% in 1843; see John Clapham, *The Bank of England*, vol. 2 (Cambridge: Cambridge University Press, 1944); and Michie (fn. 7).

[25] Michie (fn. 7), 92, 117.

[26] Ibid., 117.

[27] For example, "the Liverpool and Manchester Railway had only 10 Scottish shareholders in 1838, but 29 by 1845, while the Grand Junction Railway had 4 in 1835 and 122 in 1845. Scots had invested only £2000 in the Newcastle and Carlisle Railway in 1838, but £9,300 in 1844, while they held £94,000 of the stock of the Great North of England Railway in 1845 compared to a mere £4,700 in 1838"; see Michie (fn. 7), 117–18.

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increased from 48 to 270, and capital authorized increased from £17.8 million to £136 million; total railway capital quoted on the London Stock Exchange thereby increased from £72.3 million to £126.1 million.[28]

Stock market activity, however impressive its growth, must necessarily be joined to the interests of landowners to warrant the claims that (1) landowners were indeed diversifying into nonagricultural ventures such as railway shares and that (2) this diversification had potential political ramifications. In a presentation of the occupational breakdown of shareholders in various railway and utility companies, I demonstrate that esquires and gentlemen held a strong interest in such investments.[29] One historian has conservatively estimated the average percentage of gentlemen/landowners among subscribers for all railway companies floated in 1844–45 to be 18 pecent,[30] while others have estimated the figure for the period 1820–44 to be 28 percent.[31] In fact, many railway companies deliberately reserved a certain percentage of shares (say, 20 percent) for landowners. Landowners were considered valuable shareholders not only for their resources, but also because a company with a considerable number of landowners as shareholders could use this as clout to prevent present or future opposition to the railway line from other landowners.[32]

Landowner interest in railways stemmed not only from the ownership of shares but also from the high prices paid to them by the railway companies for their lands. Rather than face the possibility of legal battles over the value of land—costing four times the price of those purchases unopposed—railway promoters "bought off" landowners by paying them, on average, twice the current market value for their land. In fact, in 1844 the Board of Trade estimated that the excess land costs alone made Britain's railways £1,000 more expensive per mile than railways on the Continent.[33]

Evidence from the economic history literature thus clearly traces increasing diversification of the landed elite into mining and heavy industry, as well as railway development. This is not to suggest, however, that such diversification directly translated into their conversion to a free-

[28] Morgan and Thomas (fn. 16), 106.

[29] Schonhardt-Bailey (fn. 1), chap. 4, presents selected data from Killick and Thomas (fn. 21).

[30] S. A. Broadbridge, *Studies in Railway Expansion and the Capital Market in England, 1825–1873* (Guildford and London: Frank Cass, 1970), 144.

[31] G. R. Hawke and J. P. P. Higgins, "Transport and Social Overhead Capital," in Roderick Floud and Donald McCloskey, eds., *The Economic History of Britain since 1700* (Cambridge: Cambridge University Press, 1981).

[32] Pollins (fn. 19), 238.

[33] R. J. Irving, "The Capitalisation of Britain's Railways, 1830–1914," *Journal of Transport History*, 3d ser., 5, no. 1 (1984), 14–15.

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trade policy stance. Coal, iron, and steel exports certainly became increasingly more important in the 1830s and 1840s, but so, too, did domestic consumption of these goods (especially for domestic railway construction). Additionally, even landowner interests in railway promotion could in some cases be linked to the transportation of agricultural goods to domestic markets rather than to the development of British export industries. Nevertheless, diversification into potentially (and in some regions of the country, predominantly) nonagricultural ventures allowed landowners to spread their investment risks among various sectors of the economy not directly benefiting from the expansion (or maintenance) of British agricultural production. As stated earlier, the actual interests of these individuals must be derived from each landowner's unique portfolio, that is, the diversification of holdings (as a proxy for the discounted expected future income stream from his holdings). Either, in the extreme, landowner interests began to resemble those of industrialists favoring free trade, or more moderately, their interests simply became less sharply defined, perhaps bordering on indifference.

Diversification and M.P. Voting Patterns on Free Trade

Previous studies that addressed the issue of diversification in the repeal of the Corn Laws generally focused on the individual interests of members of Parliament. A primary source of motivation for voting, according to this view, stemmed from the M.P.'s personal pecuniary interests. (Indeed, one historian commented that the reason attempts by the 1841–47 government to regulate railways were doomed was that M.P.'s—the majority of whom were shareholders in railways and one-seventh of whom were railways directors—vigorously defeated any "dangerously restrictive" proposals.)[34] The argument continues that M.P.'s were beginning to diversify their personal portfolios in the years prior to 1846: as they increasingly invested in the business and industrial sectors of the economy,[35] they personally had less to lose and more to gain from eliminating agrarian protectionism.

My test of this hypothesis revealed that a transformation in the incomes of members of Parliament was indeed occurring, though not at a

[34] Asa Briggs, *The Age of Improvement, 1783–1867* (London: Longman 1959), 340.

[35] For general references to this argument, see Barrington Moore, *Social Origins of Dictatorship and Democracy* (Boston: Beacon Press, 1966); and E. J. Hobsbawm, *Industry and Empire* (London: Weidenfeld and Nicolson, 1968). For the specific application of this argument to the M.P.'s of 1841–47, see W. O. Aydelotte, "The Business Interests of the Gentry in Parliament of 1841–1847," in G. Kitson Clark, *The Making of Victorian England* (London: Methvent, 1962), 290–307; and idem (fn. 5), 47–60. See also J. A. Thomas, "The House of Commons, 1832–1867: A Functional Analysis," *Economica*, no. 13 (1925); and idem, "The Repeal of the Corn Laws, 1846," *Economica*, no. 25 (1929).

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rate or level sufficient to confirm the hypothesis.[36] Timothy McKeown tested a similar hypothesis. Although he found a systematic relationship between voting behavior and "personal pecuniary interests" of M.P.'s, he did not cite this as the critical factor in the abolition of the Corn Laws.[37]

One step beyond gauging the economic effect of portfolio diversification on members of Parliament entails examining its political effects, as channeled through diversification by their constituents. It is the argument of this paper that as individuals (and constituencies in the aggregate) invested returns from land into nonagricultural ventures such as industry and railways, political support for protectionism waned, and M.P.'s accordingly shifted their votes toward free trade.

Two approaches, differentiated by data type (individual versus aggregate), are adopted below for testing the relationship between diversification and M.P. voting behavior. Neither approach is ideal, but taken together they provide a reasonable test of the hypothesis. A better test of diversification would rely exclusively on individual-level data in order to capture the "capital as flows" element of the argument. That is, whereas aggregate-level data may capture shifts in the overall distribution of land and capital ownership (and consequently diversification at the aggregate level), the underlying assumption is that all individuals have undertaken exactly the average diversification of their personal portfolios by investing returns from one factor into another factor. Landowners may instead have moved wholly into the industrialists category; alternatively, the number of industrialists may have grown more quickly relative to landowners. As such, individual and aggregate-level data will provide different pictures of diversification. Individual-level diversification suggests that capital operates as flows and that industry-specific interests become less sharply defined in the political arena. Aggregate-level diversification may indeed reflect individual-level diversification, in which case the same argument holds; that is, capital "flows" and interests merge. Alternatively, diversification may occur only at the aggregate level, whereupon interests remain industry specific: landowners remain tied to agri-

[36] In an earlier phase of this project, I tested this hypothesis. In sum, I found that while unmistakable change in the economic interest composition of Parliament was occurring from 1832 onward, the change was quite gradual. The landowning interest was steadily declining while that of business was steadily rising, overtaking the former by the 1870s. I concluded that it seemed likely that it was not the M.P.'s own economic interest that motivated him, but that of his constituents. Transformations in the economic interests of constituents thus took several decades to be reflected in the composition of Parliament.

[37] Timothy J. McKeown, "The Politics of Corn Law Repeal Reconsidered" (Paper presented at the 1987 annual meeting of the American Political Science Association, revised December 1987).

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cultural protection, and industrialists, tied to free trade, although the balance of interests becomes more evenly distributed.

There are drawbacks to relying solely on microlevel data: such data are rare for early-nineteenth-century Britain, and the available data are incomplete and inconsistent. Consequently, I test the diversification thesis using both individual and aggregate data. Positive and consistent findings at both levels of analysis would support the hypothesis that diversification was indeed occurring at the individual level and that the more aggregate-level statistics were an accurate reflection of this diversification.

Testing the Hypothesis

Two sources of data were used to test the hypothesis that M.P.'s who represented constituencies with greater diversification were more likely to vote in favor of free trade than were those representing less diversified agricultural constituencies. The first source—death duty registers[38]—provides data at the individual level. The years 1830 and 1850 were chosen to construct a random sample of 1 percent for each year (162 and 184 individuals, respectively).[39] (Elsewhere I describe the sampling technique in full.)[40]

The components derived from the registers include (1) stocks (that is, stocks or shares in railways, utility companies, canals, joint-stock companies, insurance companies; investments in a business or trade; and mining interests—only when listed separately from real estate), (2) gov-

[38] Barbara English, "Probate Valuations and the Death Duty Registers," *Bulletin of the Institute of Historical Research* 58, no. 135 (May 1984), argues that death duty registers offer more complete records of business holdings than do probates. For example, the registers list stocks and shares, industrial machinery, business interests, and residual estate. They offer more details as to the form in which wealth was held at death. Only since 1982 have the registers been opened to study by researchers for the period from 1796 to 1903. I did find, however, that for later years many registers remain closed, some until the year 2007.

Jane Cox describes and explains the contents, format, notations, and abbreviations relevant both to probates and to death duty registers; see Cox, *The Records of the Prerogative Court of Canterbury and the Death Duty Registers: A Provisional Guide* (Canterbury: Public Record Office, Prerogative Court of Canterbury, 1980).

[39] Since 1825 and 1846 constitute roughly the critical years "before" and "after" the emergence of capital markets and diversification, and since we may assume that an individual would most likely be at his financial peak not at his death but rather a few years prior, 1830 and 1850 appeared to be adequate choices for each time period sample.

[40] Schonhardt-Bailey (fn. 1), chap. 4. In brief, however, a mapping of both the 1830 and 1850 samples illustrates a fairly even geographic distribution, with of course the expected concentration around London. A comparison of the regional distribution with actual population figures for England in 1831 and 1851 suggests that the sample distributions appear to match the population figures relatively well. It should be noted, however, that in 1830 the Southeast (including London) and to a lesser extent the Midlands appear overrepresented, while the northern regions are underrepresented. For 1851 the regions fairly accurately correspond to the population figures.

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ernment securities (consols, reduced annuities, etc.), (3) charges on real estate (including both absolute and annuity bequests charged on real estate holdings, and real estate sold whose value was then taxed), (4) cash bequests (from bank stock and monies from sources unspecified), and (5) residue (which in many cases included the value of real estate property when instructions were given for its sale—the proceeds of which were then subject to taxation). Unfortunately, real estate was not subject to death duty and subsequently was not valued until the early 1850s. Variable (3) combined with variable (5) provides the best proxy for estimates of real estate, given the clear overlap between the two.

An examination of stockholdings by region and county illustrates the geographic spread of capital market activity: whereas in 1830 stockholders appeared in only four counties (all concentrated in London and the South), in 1850 stockholders appeared in thirteen counties (spreading regionally from the Southeast and Southwest to include East Anglia, the Midlands, the Northeast and Northwest, and Wales). Moreover, the percentage of individuals owning stock increased from 3.7 percent in 1830 to 12.5 percent in 1850, also supporting the notion of an expanding capital market discussed earlier.

The second data source—income tax returns—also provides data on the extent of diversification, but at the constituency level (that is, borough and county) and for the years 1814 and 1856. Although 1814 and 1856 were not "ideal" years (ideal would have been 1825 and 1845), the lack of any income tax structure between 1815 and 1842 meant that 1814 was the latest possible year of the first period (excluding the unrepresentative final wartime tax year, 1815).[41] Further, 1856 was chosen since it was the first year after reinstitution of the income tax that the Parliamentary Papers offer a complete county and borough breakdown for all the tax schedules. The two years are similar in that both were war years and both operated under a virtually identical tax structure.[42]

Income tax returns consisted of four schedules: Schedule A (profits from the ownership of lands, farm buildings, houses, tenements); Schedule B (profits from the occupation of lands, houses, tenements—in short, profits from farming); Schedule D (profits from trade or manufacturing business, profession, employment, or vocation, and miscellaneous items such as foreign securities and possessions); and Schedule E (annuities,

[41] As it was the final year of the wartime income tax, returns in 1815 dropped sharply due to public resistance to the tax and less stringent collection efforts by the Tax Office; see Arthur Hope-Jones, *Income Tax in the Napoleonic Wars* (Cambridge: Cambridge University Press, 1939), 77, 109. Hence, 1815 was not considered an appropriate year to sample.

[42] Ibid., 121.

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pensions, and stipends paid to holders of public office). An adjustment of the data[43] enabled me to divide Schedule A into two parts, A1 and A2, with the former comprising income from rural landownership and the latter comprising income from urban landownership.

To determine whether or not M.P.'s from constituencies with greater diversification were more likely to vote in favor of free trade, I constructed indexes of diversification for each sample. Individual scores were averaged to obtain one score for each county in the death duty register sample, whereas separate scores could be obtained for boroughs and counties in the income tax returns sample.[44] Indexes used for both samples are given in Table 1. The first term in the death duty register diversification index (stocks/sum of all Xs) denotes the relative diversifi-

TABLE 1
INDEXES OF DIVERSIFICATION

Death Duty Registers

$$\text{Diversification Index} = \frac{X1}{\text{Sum x's}} - \frac{(X3 + X4)}{\text{Sum x's}}$$

where
X1 = stocks and shares
X2 = government securities
X3 = charges on real estate
X4 = residue
X5 = cash, bank stock, money from unspecified sources

Income Tax Returns

$$\text{Diversification Index (for counties)} = \frac{D}{\text{Sum (A1,A2,B,D,E)}} - \frac{A1}{\text{Sum (A1,A2,B,D,E)}}$$

$$\text{Diversification Index (for boroughs)} = \frac{(D + A2)}{\text{Sum (A1,A2,B,D,E)}} - \frac{A1}{\text{Sum (A1,A2,B,D,E)}}$$

where
A1 = income from rural landownership
A2 = income from urban landownership
B = income from farming
D = income from trade, manufacture, etc.
E = income from public office

[43] Schonhardt-Bailey (fn. 1), Appendix 2.

[44] Further on I separate the votes of M.P.'s into those representing boroughs and those representing counties. For the death duty register sample, this means that, statistically speaking, both sets of M.P.'s are responding to the same county-average diversification score.

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cation into stocks and shares, whereas the second term (charges on real estate + residue/sum of all Xs)[45] is the proxy for agricultural holdings.[46] The income tax returns diversification index follows the same approach; but it broadens the scope of the first term to include all profits from trade and manufacture, and for boroughs it also includes profits from urban landownership. The second term isolates rural landowners as much as possible. The diversification indexes range from −1 to +1; the higher the score, the greater the diversification into stocks and shares (in the case of the death duty registers), or the greater the diversification into the broader array of nonagricultural ventures (in the case of the income tax returns).

A final clarification regarding the diversification indexes should be mentioned. Since the possible scores range from −1 (complete investment in land) to +1 (complete investment in trade/industry/etc.), one might surmise that the "perfect," or best, score would be zero. This conclusion might be warranted if one's argument were founded upon a nondirectional diversification index, that is, one in which industrialists investing in land created the same incentive for M.P.'s to vote for free trade as did landowners investing in industry. Such an index would presumably require one to obtain the absolute values of each score and hypothesize a negative correlation between diversification and free-trade votes (where free trade = 1 and protectionism = 0). In contrast, the argument here—that landowners were seeking higher returns by investing in industry—necessitates a directional index and hypothesizes a positive correlation between diversification and votes for free trade. The higher the score of a particular district, the greater the probability of its representative M.P. voting for free trade.[47]

[45] The real estate estimate for this sample suffers from various coding difficulties. Real estate, usually listed as "charges thereupon" rather than as actual values, creates distortion due both to inflated values in some cases and to unreported values in others. It is possible that these two distortions may have nullified each other, but without better microlevel data the extent of the distortions is unknown. Moreover, real estate included not only agricultural holdings but also commercial property, and sometimes mining interests as well. Finally, while I include "residue" with real estate, not all the residue value could indeed be verified as real estate. The effect of these cross-cutting distortions in the estimate of real estate is, again, unknown.

[46] Squaring both terms of the equation was considered but dismissed, since the result was an increased sensitivity to changes in income levels. In other words, given equal ratios of real estate to non–real estate holdings, squaring the terms multiplied the effect of one's income level, i.e., a wealthier individual would be predicted to have an exponentially stronger interest in either free trade or protection for any given ratio of real estate to non–real estate holdings. The unsquared version, being less responsive to changes in income levels, has the advantage of isolating to a greater degree the effects of diversification.

[47] Broadly speaking, diversification need not demonstrate direction. Returns from factor inputs need not be channeled from land to capital; the flow could be reversed. The point is

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Diversification indexes for both samples are divided into "level" variables and "difference" variables. The former are simply the diversification scores for each sample year (1830 and 1850 for the death duty registers, and 1814 and 1856 for the income tax returns), while the latter subtract the earlier year from the later year in order to obtain the change in each diversification score over time.

Tables 2 and 3 give results for all the diversification variables in a multivariate probit model, using five separate parliamentary divisions on the question of free trade. (The nature of each division is described in the appendix; simply put, divisions 1846a and 1846b are most critical, as the former is the first reading and the latter is the third reading of the repeal legislation.) M.P. party identification, predicted district trade preference (based on economic composition), and the effect of the 1832 Reform are included as control variables. I have explored the relationships between these variables and M.P. voting behavior on free trade in an earlier work;[48] consequently, the discussion here is limited to the diversification variables.

In brief, positive coefficients and significance for the level diversification variables (Tables 2 and 3) lend firm support to the hypothesis that M.P.'s representing constituencies with greater diversification were more likely to vote for free trade (that is, for repeal of the Corn Laws). The more comprehensive sample of income tax returns provides much higher levels of statistical significance than does the death duty sample. Nevertheless, obtaining as high as 95 percent significance (1846a) for such individual-level historical data as death duties is encouraging. Both samples exhibit the same trend: each begins with weak significance for diversification in 1834 and strengthens in significance in 1846, as one would expect if diversification were increasing during the 1830s and early 1840s.

Results for the difference variables (Tables 2 and 3) are far less straightforward than those for the level variables. Interpretation of these results draws upon earlier findings that established a classic urban-rural split between the voting behavior of borough and county M.P.'s, with the former significantly more likely to support free trade than the latter.[49] Results in Tables 2 and 3 are divided into subgroups of counties and boroughs in order to reveal the puzzling divergence between the two samples. That is, in the death duty sample, county M.P.'s do not appear

that factor returns—as capital flows—will shift from low- to high-yield sectors of the economy.

[48] Schonhardt-Bailey (fn. 1), chap. 3.

[49] Ibid.

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to have responded to constituency diversification by voting for free trade, whereas their borough counterparts do seem to have responded. The results for the income tax returns reveal just the opposite trend: whereas county M.P.'s appear to have responded to constituency diversification with a vote for free trade, borough M.P.'s do not seem to have responded likewise. Before progressing further, it should be acknowledged that tests of statistical significance are unimpressive for both samples; interpretation must accordingly be speculative (especially for divisions 1842 and 1846c, where only two M.P.'s from county constituencies voted for free trade). Nevertheless, the relative internal consistency of both sets of results and the partial statistical significance lead me to venture a speculative interpretation.

Recalling that the death duty register sample measured solely the income from stocks and shares as sources of diversification, we may interpret the results in Table 2 to mean that the spread of stock market activity seemed to contribute to borough M.P.'s voting for repeal, but that this one aspect of diversification was not sufficient to dissuade county M.P.'s from their protectionist stance. However, if diversification is measured more broadly to include all trade and manufacture, as in the income tax returns sample, then the magnitude of diversification does appear to affect the voting behavior of county M.P.'s. The obvious question is, why did borough M.P.'s in the income tax returns sample not exhibit the same positive correlation? The answer simply put is that in both periods most boroughs were far more diversified into industry than were counties; thus, reduced but nevertheless still high diversification scores correlated negatively with free-trade votes on the part of borough M.P.'s. (Strong positive correlations between diversification and free-trade votes for the level variables lend support to this interpretation.) A similar result did not occur in the death duty register sample since (1) whole county averages were adopted for diversification indexes, rather than splitting county and borough constituencies, and (2) no doubt as a consequence of using whole county averages, initial scores were virtually all very low.

In sum, while borough M.P.'s appeared more responsive than county M.P.'s to diversification by their constituents into stocks and shares, county M.P.'s (and probably also borough M.P.'s) did seem to respond to more general diversification into trade and manufacture. Thus, for the difference variables, the type of diversification (specific, as in stocks, versus general, as in trade and manufacture) and the type of constituency represented (borough versus county) must be considered if the hypothesis of diversification is to be sustained.

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TABLE 2

DEATH DUTY REGISTER SAMPLE: PROBIT RESULTS FOR LEVEL AND DIFFERENCE VARIABLES[a]

	All Constituencies						*Counties*			*Boroughs*	
Division	*Level Coefficients*[b]		(*t*-ratio)	*Number of Cases*	*Difference Coefficients*[b]		(*t*-ratio)	*Number of Cases*		(*t*-ratio)	*Number of Cases*
1834	Constant	−4.38	(−7.42)[f]	341	Constant	−10.39	(−1.25)	86	−4.21	(−6.85)[f]	218
	B1 DIVS23CO	0.24	(0.94)		B1 DIVSDIF2	−0.14	(−0.28)		−0.13	(−0.50)	
	B2 DIV2PID	0.81	(6.28)[f]		B2 DIV2PID	1.61	(0.88)		0.77	(5.59)[f]	
	B3 DISTPREF	0.33	(7.68)[f]		B3 DISTPREF	0.66	(3.78)[f]		0.20	(3.72)[f]	
	B4 REFCHNG	0.24	(2.92)[f]		B4 REFCHNG	0.81	(0.85)		0.30	(3.39)[f]	
1842	Constant	−8.66	(−4.16)[f]	326	Constant	−7.85	(−0.04)	95	−8.90	(−3.93)[f]	193
	B1 DIVS25CO	0.56	(1.26)		B1 DIVSDIF2	−0.72	(−0.72)		0.48	(1.26)	
	B2 DIV3PID	1.94	(3.92)[f]		B2 DIV3PID	2.52	(0.40)		1.93	(3.58)[f]	
	B3 DISTPREF	0.30	(3.95)[f]		B3 DISTPREF	0.25	(0.67)		0.25	(2.75)[f]	
	B4 REFCHNG	0.25	(1.87)[d]		B4 REFCHNG	−0.82	(−0.02)		0.29	(1.94)[d]	
1846a	Constant	−2.22	(−4.74)[f]	372	Constant	−2.85	(−0.86)	98	−3.11	(−4.78)[f]	234
	B1 DIVS25CO	0.67	(2.25)[e]		B1 DIVSDIF2	−0.13	(−0.28)		0.39	(1.36)[c]	
	B2 DIV4PID	1.13	(10.52)[f]		B2 DIV4PID	1.19	(5.06)[f]		1.05	(7.58)[f]	
	B3 DISTPREF	0.25	(4.70)[f]		B3 DISTPREF	0.34	(2.11)[e]		0.08	(1.14)	
	B4 REFCHNG	−0.08	(−0.72)		B4 REFCHNG	−0.17	(−0.21)		0.28	(1.63)[c]	
1846b	Constant	−2.21	(−4.66)[f]	367	Constant	−2.58	(−0.69)	95	−3.29	(−4.62)[f]	234
	B1 DIVS25CO	0.56	(1.88)[d]		B1 DIVSDIF2	−0.74	(−1.36)[c]		0.48	(1.65)[d]	
	B2 DIV6PID	1.15	(10.30)[f]		B2 DIV6PID	1.38	(4.82)[f]		1.05	(7.34)[f]	
	B3 DISTPREF	0.26	(4.69)[f]		B3 DISTPREF	0.38	(1.85)[d]		0.06	(0.81)	
	B4 REFCHNG	−0.10	(−0.95)		B4 REFCHNG	−0.40	(−0.42)		0.37	(1.95)[d]	

1846c	Constant	−4.15	(−6.68)[f]	235	Constant	−7.18	(−0.03)	59	−4.03	(−6.65)[f]	154
	B1 DIVS25CO	0.55	(1.28)[c]		B1 DIVSDIF2	0.02	(0.02)		0.17	(0.48)	
	B2 DIV7PID	0.99	(6.84)[f]		B2 DIV7PID	2.68	(0.40)		0.88	(5.71)[f]	
	B3 DISTPREF	0.10	(1.71)[d]		B3 DISTPREF	0.15	(0.43)		0.04	(0.53)	
	B4 REFCHNG	0.10	(0.99)		B4 REFCHNG	−1.07	(−0.02)		0.16	(1.50)[c]	

[a] Probability of free-trade vote = A + B1 (diversification of constituents' income) + B2 (M.P. party ID) + B3 (predicted trade preference of M.P. constituency district) + B4 (effect of 1832 Reform on district).

[b] DIVS23CO gives the diversification scores for the 1830 death duty register sample, averaged for each county; DIVS25CO gives the diversification scores for the 1850 death duty register sample, averaged for each county; DIVSDIF2 is the difference between DIVS23CO and DIVS25CO. Variable descriptions are as follows: DISTPREF is predicted trade preference, based upon constituency district economic composition in 1831–32; REFCHNG is effect of the 1832 Reform Act on electoral constituencies; DIV2PID is party affiliation of M.P.'s, for 1834 division; DIV3PID is party affiliation of M.P.'s, for 1842 division; DIV4PID is party affiliation of M.P.'s, for 1846a division; DIV6PID is party affiliation of M.P.'s, for 1846b division; DIV7PID is party affiliation of M.P.'s, for 1846c division.

[c] Significant at the 80% confidence level, two-tailed test.

[d] Significant at the 90% confidence level, two-tailed test.

[e] Significant at the 95% confidence level, two-tailed test.

[f] Significant at the 99% confidence level, two-tailed test.

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TABLE 3

INCOME TAX RETURNS SAMPLE: PROBIT RESULTS FOR LEVEL AND DIFFERENCE VARIABLES[a]

	All Constituencies						*Counties*			Boroughs	
Division	*Level Coefficients*[b]		(*t*-ratio)	*Number of Cases*	*Difference Coefficients*[b]		(*t*-ratio)	*Number of Cases*		(*t*-ratio)	*Number of Cases*
1834	Constant	−5.58	(−4.60)[g]	214	Constant	−9.19	(−1.27)	110	−5.25	(−4.51)[g]	104
	B1 TXDIVS14	0.48	(1.81)[e]		B1 TXDVDIFF	2.63	(1.36)[d]		−3.45	(−1.78)[e]	
	B2 DIV2PID	0.81	(4.27)[g]		B2 DIV2PID	1.49	(0.95)		0.71	(3.53)[g]	
	B3 DISTPREF	0.24	(3.97)[g]		B3 DISTPREF	0.50	(3.47)[g]		0.15	(2.01)[f]	
	B4 REFCHNG	0.45	(1.72)[e]		B4 REFCHNG	0.58	(0.66)		0.67	(2.25)[f]	
1842[c]	Constant	−13.55	(−1.00)	227	Constant	−19.64	(−0.20)	126	−24.18	(−1.75)[e]	101
	B1 TXDIVS56	1.15	(2.45)[f]		B1 TXDVDIFF	−3.67	(−0.49)		−14.70	(−2.15)[f]	
	B2 DIV3PID	2.99	(0.88)		B2 DIV3PID	2.30	(0.39)		5.73	(1.67)[e]	
	B3 DISTPREF	0.16	(1.37)[d]		B3 DISTPREF	0.15	(0.40)		0.27	(1.80)[e]	
	B4 REFCHNG	0.24	(0.85)		B4 REFCHNG	2.41	(0.10)		0.47	(1.25)	
1846a	Constant	−5.24	(−3.68)[g]	239	Constant	−5.64	(−2.23)[f]	130	−5.07	(−2.65)[f]	109
	B1 TXDIVS56	1.24	(3.60)[g]		B1 TXDVDIFF	1.78	(1.10)		−4.20	(−1.53)[d]	
	B2 DIV4PID	1.21	(7.49)[g]		B2 DIV4PID	1.16	(5.51)[g]		1.36	(4.10)[g]	
	B3 DISTPREF	0.15	(2.10)[f]		B3 DISTPREF	0.39	(2.94)[g]		0.04	(0.47)	
	B4 REFCHNG	0.48	(1.40)[d]		B4 REFCHNG	0.50	(0.81)		0.76	(1.53)[d]	
1846b	Constant	−4.47	(−3.29)[g]	236	Constant	−5.85	(−2.17)[f]	127	−5.10	(−2.63)[f]	109
	B1 TXDIVS56	1.06	(3.16)[g]		B1 TXDVDIFF	0.51	(0.30)		−1.45	(−0.57)	
	B2 DIV6PID	1.18	(7.54)[g]		B2 DIV6PID	1.23	(5.52)[g]		1.36	(4.16)[g]	
	B3 DISTPREF	0.16	(2.20)[f]		B3 DISTPREF	0.46	(2.98)[g]		0.03	(0.37)	
	B4 REFCHNG	0.28	(0.85)		B4 REFCHNG	0.54	(0.82)		0.77	(1.52)[d]	

1846c	Constant	−7.56	(−4.15)[g]	151	Constant	−3.49	(−0.02)	80	−5.83	(−3.90)[g]	71
	B1 TXDIVS56	1.96	(3.23)[g]		B1 TXDVDIFF	3.00	(0.32)		−1.38	(−0.36)	
	B2 DIV7PID	1.49	(4.74)[g]		B2 DIV7PID	3.27	(0.33)		1.46	(4.47)[g]	
	B3 DISTPREF	−0.30	(−2.18)[f]		B3 DISTPREF	0.01	(0.03)		−0.30	(−2.10)[f]	
	B4 REFCHNG	0.31	(0.88)		B4 REFCHNG	−2.69	(−0.05)		0.38	(1.06)	

[a] Probability of free-trade vote = A + B1 (diversification of constituents' income) + B2 (M.P. party ID) + B3 (predicted trade preference of M.P. constituency district) + B4 (effects of 1832 Reform on district).

[b] TXDIVS14 gives the borough and county aggregate diversification scores for the 1814 income tax returns sample; TXDIVS56 gives the borough and county aggregate diversification scores for the 1856 income tax returns sample; and TXDVDIFF is the difference between TXDIVS14 and TXDIVS56. Variable descriptions are as follows: DISTPREF is predicted trade preference, based upon constituency district economic composition in 1831–32; REFCHNG is effect of the 1832 Reform Act on electoral constituencies; DIV2PID is party affiliation of M.P.'s, for 1834 division; DIV3PID is party affiliation of M.P.'s, for 1842 division; DIV4PID is party affiliation of M.P.'s, for 1846a division; DIV6PID is party affiliation of M.P.'s, for 1846b division; DIV7PID is party affiliation of M.P.'s, for 1846c division

[c] In this division, DIV3PID (M.P. party affiliation) exhibited virtually no variation. In contrast to linear regression, this made obtaining statistical significance difficult in probit analysis.

[d] Significant at the 80% confidence level, two-tailed test.

[e] Significant at the 90% confidence level, two-tailed test.

[f] Significant at the 95% confidence level, two-tailed test.

[g] Significant at the 99% confidence level, two-tailed test.

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Concluding Remarks

This paper focuses on the application of the specific factors model to an industrializing country, in this case Britain in the first half of the nineteenth century. I argue that the driving force behind the diversification of the asset portfolios of landowners was the rapidly emerging capital market, evidenced in the 1830s by the spread of stock market activity throughout Britain. I attempt to prove that the apparent difficulty in reconciling conventional applications of the specific factors model with the decision of M.P.'s to repeal the Corn Laws can be overcome by switching from a model based on a measurement of the asset stocks of voters to one that incorporates the corollary of industrialization, namely, the diversification of factor returns from land rents into higher yield industrial capital. This makes a model based on income flows rather than on capital stocks a more meaningful tool.

The results at both the individual and the aggregate level reported in this paper indicate that as landowners diversified into industry, the political benefits accruing to M.P.'s from maintaining protection in agriculture diminished. M.P.'s from districts that were more diversified away from agriculture were more likely to vote in favor of free trade than were those from less diversified districts. In turn, the diversification of districts was a measure of the degree to which individual voters were acquiring a range of specific interests that were focused less on agricultural rents. Thus, there was a lessening of the incentives for M.P.'s to defend the Corn Laws and a decisive policy shift by Britain toward liberalization of trade.

Early industrializers such as Britain and the U.S. mobilized capital in smaller units, since the average scale of each business was smaller than it was for later industrializers. In Britain, the combination of a large role for direct investment (in the form of ownership of industrial production by landowners) and the early development of securities markets enabled profit-maximizing landowners to switch directly into industrial investment. It is the hypothesis of this paper that such direct ownership of industrial capital was an important factor in changing the trade preferences of landowners. Turning to cases of later industrialization (for example, Germany and Japan) in which larger sums of initial capital investment were required, the dominant actors responsible for managing the flow of investment capital were banks. The requirement for larger sums of investment capital created a role for banks as providers and thereby limited the direct involvement of landowners in the diversification of their portfolios (though this does not provide an explanation for why in some countries banks rather than securities markets were the

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major source of capital-raising activity). Landowners were able to invest in banks whose role was to mobilize the capital needed for larger units of production and that could pool the risks to an extent that could no longer be done by individuals investing directly. This paper has found a link between direct investment in industrial capital and a change in trade policy preferences; however, where the investment link is indirect, via a bank that pools risk by spreading its assets across economic sectors, it is more likely that the trade preferences of asset holders will be more weakly specified.

Appendix

Parliamentary Divisions

1826. Mr. W. Whitmore's motion for the consideration of free trade in corn (April 18, 1826): ayes = 81; noes = 250. (Division included only the minority M.P.'s and of these, only 65 could be identified by district.)

1834. Mr. Hume's motion for a committee on the Corn Laws (March 6, 1834). This was the first motion on the Corn Laws to be brought forth in the reformed Parliament: ayes = 155; noes = 312. (Two M.P.'s voting no could not be identified by district.)

1842. Mr. Villier's motion to abolish all the duties on corn (February 24, 1842): ayes = 90; noes = 393. (Two M.P.'s voting no could not be identified by district.)

1846(a). Mr. P. Mile's amendment to delay the House going into committee to consider the Corn laws by six months (thus forcing a vote on Peel's motion that the House immediately resolve itself into a committee of the whole, i.e., Peel's first reading of the Corn Law Repeal) (February 27, 1846): ayes = 337; noes = 240. (One M.P. voting aye could not be identified by district.)

1846(b). Mr. Peel's motion to repeal the Corn Laws, third reading (May 15, 1846): ayes = 327; noes = 229. (All M.P.'s identified by district.)

1846(c). Mr. Villier's amendment calling for total and immediate repeal of the Corn Laws (versus the gradualist nature of Peel's motion, with complete abolition of duties in 1849) (March 6, 1846). The House divided on the question that Peel's motion retain the 1849 date: ayes = 265; noes = 78. (Ayes coded as a vote for protection, and noes coded as a vote for free trade. Districts of two M.P.'s were questionable but were coded according to my best guess estimate.)

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Review Articles

THE PEOPLE'S DEMOCRATIC REPUBLIC OF ETHIOPIA

Masking and Unmasking Tragedy

By FORREST D. COLBURN*

Christopher Clapham. *Transformation and Continuity in Revolutionary Ethiopia*. Cambridge: Cambridge University Press, 1988, 284 pp.
Dawit Wolde Giorgis. *Red Tears: War, Famine and Revolution in Ethiopia*. Trenton, N.J.: Red Sea Press, 1989, 375 pp.
John W. Harbeson. *The Ethiopian Transformation*. Boulder, Colo.: Westview Press, 1988, 239 pp.
Paul B. Henze. *Ethiopia: Crisis of a Marxist Economy: Analysis and Text of a Soviet Report*. Santa Monica, Calif.: Rand Corporation, 1989, 83 pp.
Edmond J. Keller. *Revolutionary Ethiopia: From Empire to People's Republic*. Bloomington: Indiana University Press, 1988, 307 pp.
John Markakis. *National and Class Conflict in the Horn of Africa*. Cambridge: Cambridge University Press, 1987, 314 pp.
Mekuria Bulcha. *Flight and Integration: Causes of Mass Exodus from Ethiopia and Problems of Integration in the Sudan*. Uppsala, Sweden: Scandinavian Institute of African Studies, 1988, 256 pp.
Mulatu Wubneh and Yohannis Abate. *Ethiopia: Transition and Development in the Horn of Africa*. Boulder, Colo.: Westview Press, 1988, 224 pp.
Roy Pateman. *Eritrea: Even the Stones Are Burning*. Trenton, N.J.: Red Sea Press, 1990, 239 pp.

ETHIOPIA—like China, Egypt, and Iran—is one of the oldest countries in the world. Its recorded history dawns in the millennium before Christ with the establishment of the Kingdom of Aksum, which was situated in the north of the country in what is now Tigray and Eritrea. Homer mentions Ethiopia in his chronicles. Indeed, the word *Ethiopia*, meaning land of the people with burnt faces, is, like the word *Egypt*, of Greek origin. At its zenith the Kingdom of Aksum was the most powerful state between the Roman Empire and Persia. Aksum's conversion to Christianity in the fourth century led to enduring ties with the Coptic church of Egypt and sporadic contact with Byzantium. Early

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European travelers were fascinated by Ethiopia and publicized the *Kibre Negest*, the epic that describes the founding of the Ethiopian nation, the glory of its monarchs, and their descent from King David of Israel through the union of Queen Sheba and David's son Solomon. Their son was Menelik I, king of Ethiopia. Emperor Haile Selassie I of Ethiopia, the Conquering Lion of the Tribe of Judah, King of Kings, Elect of God, traced his lineage to Menelik I, and so, too, to King David.

On the eve of the Ethiopian New Year in September 1974, Emperor Haile Selassie, nearing eighty-two, was bundled into a Volkswagen by a group of military officers and driven away from his palace to imprisonment. Since then Ethiopia—a country the size of France and Spain combined and the third most populous state on the African continent—has experienced a profound social revolution. The results have been horrifying. Probably nowhere else in the world is there such suffering. The government is guilty of gross human rights violations, including large-scale murder. The multinational polity is being wrecked by ever-increasing ethnic warfare. The carnage is overwhelming. The World Bank holds that per capita income has fallen steadily and that Ethiopia, always poor, is now the poorest country in the world. In 1984–85 a million Ethiopians starved to death, and only massive foreign assistance prevented the death of another eight million. Famine continues. Although only an estimated 12 percent of the population has ready access to roads, there are over two million Ethiopian refugees. What has happened? And why?

Recent books on Ethiopia answer the first question but stumble on the second. Ethiopia as a country and a polity presents numerous difficulties to scholars seeking to describe and explain what has befallen the nation-state. The central outline of events is transparent in recent scholarship. But the books that should be the most insightful, because of the theoretical ambitions of the authors, often disappoint because they obfuscate politics with abstract discussions of the "state." Discussions too quickly leap to a higher level of generality than warranted. The starkness of Ethiopia's politics demands analytical constructs that cling closer to political discourse and practice.

Mulatu and Yohannis[1] offer a descriptive account of Ethiopia that includes a succinct narration of how the military officers who ousted the emperor consolidated power and committed Ethiopia to Marxism-Leninism. Economy and society were reorganized according to the dictates of "scientific socialism." Slowly, the new regime institutionalized

[1] Ethiopians are usually referred to only by their first name.

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itself: a loose committee of military officers under the leadership of Major Mengistu Haile-Mariam evolved first into the Provisional Military Government of Socialist Ethiopia and in turn into the People's Democratic Republic of Ethiopia. Comrade Mengistu's title evolved correspondingly: general secretary of the Central Committee of the Workers' Party of Ethiopia, president of the People's Democratic Republic of Ethiopia, and commander in chief of the Revolutionary Armed Forces. In the most prosaic language, Mulatu and Yohannis also describe the two most pronounced outcomes of government initiative: ethnic rebellion and economic decline.

More theoretical works, such as those by Clapham, Keller, and Harbeson, strive to explain what has happened in Ethiopia. These three scholars openly share a theoretical reference: Theda Skocpol's comparative study of revolution in France, Russia, and China.[2] All speak approvingly of this study but suggestively appear to move away from Skocpol's structuralist interpretation of revolutions, which has its roots in Marxist analysis of class and capital. Ethiopia's leaders have drawn on the same Marxist fountainhead but more openly and with less nuance. Clapham is the bluntest about rejecting Marxist-inspired theories of revolution, even for regimes professing Marxism. He suggests an irony: "In an age in which revolution is almost invariably associated with Marxism (quite regardless of the inadequacy of Marxist precepts in explaining its occurrence)" (p. 6), there is no "necessary connection between revolution and any particular form of economic structure" (p. 2).

Clapham argues that it is political ineffectiveness, rather than economic exploitation, which leads to revolution. But what makes a revolution is not the destruction of the old order but the construction of the new one—of a new *political* order. Clapham holds that the primacy of the political is equally central to postrevolutionary institutionalization: "It is organized political power, in the hands of the new rulers of the state, that has to be used ... to bring about a deliberate transformation of economy and society which would not take place on its own" (p. 7).

Clapham finds Skocpol's approach most compelling in its emphasis on the centrality of the control of state power in the early phase of the revolution and of state building in the latter phase. In this latter phase, Clapham takes revolutionaries' Leninism seriously: "The Leninist principle of democratic centralism appears to provide an extraordinarily effective mechanism for combining tightly centralized elite control with the cooptation of the able and ambitious, and at least a token level of mass partic-

[2] Skocpol, *States and Social Revolutions* (Cambridge: Cambridge University Press, 1979).

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ipation and democratic accountability" (p. 9). In contrast, Clapham dismisses ideology: "Ideology is generally (as Marx quite correctly identified it) a mere rationalization of the interests of its proponents" (pp. 9–10). Frankly, he says, "I remain unpersuaded of the centrality of ideology to revolutionary reconstruction" (p. 10).

Clapham has two other bones to pick. There is, he says, a misguided tendency to concentrate on the early, violent, and dramatic phase of the revolution, to the neglect of the period of institutionalization that follows. A second common weakness in the study of revolution is almost the converse of the first: a neglect, not only of what follows the first and heroic phase, but of what precedes it. "It is then all too easy to ascribe any particular manifestation of post-revolutionary attitudes or practices to the effects of revolution in itself, whether these be regarded as good or bad, while failing entirely to recognize the extent to which they duplicate pre-revolutionary equivalents" (p. 13).

Clapham's narration of the Ethiopian Revolution is richly detailed. But his analysis—and conclusions—are bound by an old-fashioned structural functionalism that often appears wooden. The following sentences are illustrative:

> It fell, not because it was badly damaged, but because it was by nature incapable of handling the increasing demands which were placed on it. (p. 32)
>
> In a society founded on a Hobbesian conception of the centrality of power relations to the maintenance of public order, the removal of a once-dominant authority figure always carried the threat of anarchy. (p. 43)
>
> In Addis Ababa, the failure of imperial authority unleashed an upsurge of demands which could not simply be suppressed, but for which some outlet had to be found. (p. 43)

All of these statements may, in some sense, be true, but they give little play to the drama of politics, of the centrality of choice. Slighted, if not ignored, are the influences of personality, political culture, ideas, leadership, organization, and institutions. Clapham comes close to succumbing to the same determinism for which he so persuasively chastises Marxists, only here the villain is not economic structures but the imperatives of government.

Not surprisingly, Clapham's conclusions are timid. There is no indictment. The first sentence of his conclusion reads, "Since 1974, and especially since the stabilization of the revolutionary regime in 1977–78, Ethiopians have found themselves part of a highly effective, disciplined and centralized state system" (p. 241). Well, yes. Only at the very end of

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the book does he suggest that the coincidence in Ethiopia of the most powerful African state and the poorest African economy raises questions about the adequacy of the state as a motor of development. Continuing the metaphor (and the reification), he refers to the state as a machine:

> It is run for the most part efficiently, and often indeed with dedication. But the construction and operation of such a machine requires the subordination of all else to the needs of the machine itself, and especially its demands for control, in a way which ... often impedes production and fosters resistance. (p. 243)

The state—and those at its helm—are masked. No one is responsible for anything.

Harbeson, too, centers his analysis of Ethiopia on the state. He shares many of Clapham's theoretical precepts, including something of Clapham's structural functionalism. But the two dispute the strength of the postrevolutionary state: Clapham judges it strong; Harbeson claims that it is weak, even more so than the imperial regime. Accordingly, Harbeson argues that Ethiopia mirrors the course of conflict between the military regime and its adversaries. The military regime's initiatives have provoked multifaceted crises over the transformation, objectives, and even existence of a postimperial state.

Clapham and Harbeson disagree about the state largely because they define it differently: Clapham comes close to equating it with government; Harbeson follows Max Weber, who suggested that governmental institutions are not synonymous with the state but are derived instead from an underlying, generally recognized basis for political community (be it only shared territory).[3] Harbeson gives curt treatment to many political variables, but his broad definition of the state enables him to highlight conflict and, in particular, conflict for power. And he posits a curious, if murky, nexus between a strong government and a weak state.

Keller goes to greater lengths to disaggregate the state than either Clapham or Harbeson. Hence, he engages in less reification. Political actors are perceived as having choices and being influenced, not just by inert political economic structures, but also by ideas. Indeed, in seeking to explain the Ethiopian Revolution, Keller harks back to Crane Brinton's suggestion of the importance of "the allegiance of intellectuals."[4] Before the monarchy could be deposed, there had to be an alternative conception of how Ethiopia could be ruled. That alternative came from Ethiopian university students who had been radicalized in the

[3] Weber, *The Theory of Social and Economic Organizations*, trans. Talcott Parsons (Glencoe, Ill.: Free Press, 1947), 156.

[4] Brinton, *The Anatomy of Revolution* (1938; reprint, New York: Vintage, 1965), 39.

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1960s. Once the emperor was overthrown, there was "the challenge of introducing a new ideology, a new social myth, that would at once provide the basis for its legitimacy among the general population and serve as a guide for policy and political action" (p. 191). Students and the military engaged in a furious struggle for command of the state. Inevitably, the military won, but the students provided the new "social myth"—Marxism-Leninism.

Why did the military adopt the students' Marxism-Leninism? Was it because many of the younger military officers who staged the coup were also radicalized at Haile Selassie I University or elsewhere? Was it because the military officers genuinely believed students' rhetoric? Was it because they had no ideas of their own? Was it because it was a clever strategy for undercutting the appeal of the students, the only immediate rival to military leadership? Or was it because Marxism-Leninism justifies a ruling oligarchy and a statist development strategy?

These questions elude definitive answer. But it seems unnecessarily gross to dismiss Marxism-Leninism, as Clapham does, as only providing iconography (p. 97). At the least, Marxism-Leninism explains much of the *content* of the Ethiopian Revolution. Many institutions and policies are inspired by Marxism-Leninism or slavishly copied from regimes professing Marxism-Leninism. Indeed, in Ethiopia some of the regime's most consequential policies came directly from the inexperienced but militant students: the literacy campaign, the agrarian reform, and villagization. The institutions and policies shaped by Marxism-Leninism are not only important in their own right, but they also often have a decisive impact on the welfare, life chances, and political responses of different social groups. And the embrace of Marxism-Leninism by the country's leadership, whatever the motivation, has an impact on its ability to wield power. As the cagey Haile Selassie himself knew, certain ideologies, or social myths, facilitate one kind of rule as opposed to another.

If the ideas that inspire the "state" are to be taken seriously, so, too, those who actually make the decisions on which the state stands or falls should be taken seriously. Who are the leaders and how do they rule? How do powerful individuals guide and mediate institutional politics? This imperative is all the more compelling when, as in Ethiopia, a single individual all but publicly exclaims: *l'état, c'est moi*! Here Clapham, Harbeson, and Keller alike do not satisfy. Yes, all three describe Comrade Mengistu as ruthless, and all do trace his ascendancy to power. But there is not a sense for how Ethiopia is different for his singular presence. The difference between Mengistu and the government is not clarified. This and similar omissions are troubling.

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A very different book, one that is most compelling, is Dawit's memoir, *Red Tears*. At the time of the emperor's ousting, Dawit Wolde Giorgis was a former military officer serving as deputy chief of the Relief and Rehabilitation Commission. During the shift in Ethiopia's alignment from the United States to the Soviet Union, he served as deputy foreign minister. Subsequently, he became a member of the Central Committee of the Workers Party of Ethiopia and served as its principal political representative in Eritrea. He headed famine relief during the great famine of 1983–85. He left Ethiopia in 1986.

Given Dawit's background, one would expect a good story. And he does offer an engaging story. Eritreans have a decidedly less charitable interpretation of his tenure in Eritrea than he offers, but otherwise his tale is persuasive. Dawit covers the same ground tackled by his academic counterparts: the demise of imperial rule, the emergence and institutionalization of the new regime, ethnic conflict, and—above all—the famine. Predictably, his work is rich in details that only an insider could know:

> The hall where Mengistu holds large conferences is ironically the same hall where Emperor Haile Selassie used to give his big banquets—elaborately redecorated with Marxist icons, of course. Mengistu once confided to me that he enjoyed chairing meetings in this hall because he was able to sit right above the basement where all the former aristocrats whom he despised were imprisoned. As usual, Mengistu sat on an elevated, red velvet seat, not far from the throne of the former Emperor, now covered with a white sheet. I had always wondered why the throne had not been taken to the museum with all the rest of the imperial trappings; why it was still here draped in this sheet, as if its owner were merely off on a long holiday and might return at any moment. (p. 126)

But what is so striking about Dawit's book, for the academy at least, is the descriptive and explanatory success he achieves by eschewing the broad concept of the state.

As he links his own life to the unfolding of the Ethiopian Revolution, Dawit routinely explains how key decisions were made and with what effect. And in focusing on choices, he effortlessly shifts the "unit of analysis" as the need arises; he moves, for example, from a single individual—usually Mengistu—to bureaucratic infighting to broad social conflict. His inductive approach yields a revealing, complex portrayal of the Ethiopian Revolution. Three of the highlights are (1) the importance of ideology and the extent to which it was provided by the university community, (2) the dominance of Mengistu, and (3) the unnecessary suffering of Ethiopians, ranging from the dozens of Mengistu's fellow military

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officers whom he executed to the unnamed masses of peasants who are victims of ill-conceived, counterproductive agrarian policies.

In comparison, the fixation on a single unit of analysis—the state—by Clapham, Harbeson, and, to a lesser extent, Keller, obscures these important features of the Ethiopian Revolution. Blame can perhaps be attributed to an unwarranted emulation of the theoretical precepts of heralded comparative studies, exemplified by the work of Crane Brinton, Barrington Moore, and Theda Skocpol.[5] Their books certainly deserve respect. It is fruitful to trace broad historical changes. But the theoretical parameters necessary for that kind of sweeping endeavor are probably ill suited to the analysis of a single, contemporary revolution. Speculating on the extent to which an incipient postrevolutionary regime is fulfilling the traditional responsibilities of the state is less useful than dissecting what kind of state it is in the first place. In short, focusing on the government is probably more useful than focusing on the state.

The primary reason for examining a revolutionary regime with more specificity and more attention to the conduct (as opposed to the outcome) of politics is to understand it more accurately. The nation-state can still be the subject of inquiry; there is no need to retreat into micro studies. And there is concurrently no need to retreat from theorizing. There are many puzzles worthy of explanation. Invoking the state—exploring its strength and autonomy—may prove necessary. But care is needed to correct what Sartori once called "conceptual stretching," by providing specificity to the logical and empirical properties of the state.[6] And care must be taken to guard against state centrism.

A second reason to disaggregate the "state" is to identify who bears responsibility for the tragedy, or tragedies, that Ethiopians have suffered. In a macrohistoric, comparative study of revolution, it is perhaps permissible to gloss over such cases as the Soviet famine of 1932–34 that killed five million or the Chinese famine of 1958–60 (the "Great Leap Forward") that killed ten million. But in contemporary Ethiopia—or Cambodia—where those responsible for famine are still potent political actors, it does not seem reasonable to speak so abstractly of governors.[7] Scholars may not have, or want the responsibility of judging right from wrong and of fingering the perpetrators of acts of gross immorality. Yet at the least, their work should make it clear who did what and with what

[5] Ibid.; Moore, *Social Origins of Dictatorship and Democracy* (Boston: Beacon Press, 1966); Skocpol (fn. 2).

[6] Giovanni Sartori, "Concept Misinformation in Comparative Politics," *American Political Science Review* 64 (December 1970), 1033–53, at 1034.

[7] For a comprehensive study of the Kampuchean regime, see Karl Jackson, ed., *Cambodia 1975–1978* (Princeton: Princeton University Press, 1989).

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consequences for human welfare and life. Likewise, ideas, political passions, and ideologies that contribute to misery should be identified.

Ethnic Rebellion

Intertwined with the Ethiopian Revolution are dissident nationalist movements, or national liberation fronts, as they call themselves. The strongest such movement, the Eritrean, dates back to 1960 with the founding of the Eritrean Liberation Front (ELF) by Muslim Eritreans educated—and politicized—in Nasser's Egypt. Haile Selassie's inability to solve the "Eritrean problem" led to dissatisfaction with the emperor within the ranks of Ethiopia's military. So Eritrean nationalism, and the war accompanying it, was a contributing cause of the revolution. But since the emperor was deposed, Eritrean nationalism has only swelled and has been matched by other dissident nationalist movements, most prominently in Tigray.[8]

The burden of ethnic strife is staggering. Impoverished Ethiopia is home to the world's longest running civil war—thirty years. Ethiopia marshals the largest military in Africa, and Eritrea has the eleventh largest army (Pateman, 121). Casualties from single battles have on occasion run into the tens of thousands. Much of northern Ethiopia is routinely either contested or controlled by the Eritrean or Tigrean liberation fronts. And there are sporadic efforts to heighten the national passions of other ethnic groups, including the Somali, the Afar, and the Oromo.

Clapham, Harbeson, and Keller discuss Ethiopia's ethnic strife. Suggestively, though, their efforts are limited to description. The three authors are versed in and committed to comparative analysis and social theory. But their interpretation of the role of comparative analysis and social theory in a single-country study is in overarching questions of the state. Unfortunately, they have not availed themselves of even the most celebrated comparative studies of ethnicity.[9] Had they set Ethiopia's ethnic strife within the framework of the literature on ethnicity, there would have been more depth to their treatment of this most vexatious problem. And they would likely have been prodded to delineate the

[8] Many names in Ethiopia do not have consistent spellings. Tigray is also written Tegray, Tegrai, and Tigre.

[9] The kind of work that could have been fruitfully consulted include Donald Horowitz, *Ethnic Groups in Conflict* (Berkeley: University of California Press, 1985); Walker Connor, *The Nationalist Question in Marxist-Leninist Theory and Strategy* (Princeton: Princeton University Press, 1984); Milton Esman, "The Management of Communal Conflict," *Public Policy* 21 (Winter 1973), 49–76; Eric Nordlinger, *Conflict Regulation in Divided Societies*, Occasional Paper no. 29 (Cambridge: Center for International Affairs, Harvard University, 1972).

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causes of ethnic rebellion and to consider the extent to which Ethiopia's strife is typical or atypical of other, similarly situated regimes.

The hopelessly inconclusive arguments for Ethiopia's "territorial integrity" and for Eritrean "self-determination" are spelled out, respectively, by Dawit and Pateman. Despite Dawit's disdain for the Ethiopian government, he supports its efforts to combat secessionist movements, arguing, for example, that Eritrea is historically and culturally an integral part of Ethiopia. He suggests that a sense of unity transcends differences of nationality. Indeed, Eritrea itself is composed of nine nationalities and is equally divided between Christians and Muslims. Dawit quotes foreign historians who maintain that by virtue of a shared national heritage Ethiopia managed to survive the forces of internal disintegration and remain the only part of Africa not colonized by Europeans.

The Italians did try to conquer Ethiopia. And although their advances were halted, they occupied the northern coast—Eritrea—for fifty years. Dawit decries Italian colonialism, which included a decree that "natives must take their shoes off when they go into government offices" (p. 75). Italian rule ended with British occupation in 1941. When the British left, they dismantled and took with them port facilities, railway rolling stock, factories, and equipment. In return they engineered a UN General Assembly recommendation that Eritrea should "constitute an autonomous unit federated with Ethiopia under the sovereignty of the Ethiopian crown" (p. 79). Haile Selassie tried to yank the province back into his feudal domain.

The first sentence of Pateman's book reveals his perspective:

> Thinking back about the reasons for my interest in Eritrea, it seems that while a very young man of fifteen, I must first have read articles sympathetic to the Eritrean cause in British leftist journals written before the USSR decided to support Ethiopia's annexation of the country. (p. vii)

What follows is a well-researched, well-reasoned case for Eritrean independence. Arguing that "the struggle for independence also involves a struggle over history and the interpretation of the past," Pateman musters data showing that the histories of Eritrea and Ethiopia have often diverged (p. viii). He contends that Ethiopia has always been, and continues to be, disproportionately dominated by one ethnic group—the Amhara.

Pateman recounts the history of the ELF and of how it violently came to be replaced by the Eritrean People's Liberation Front (EPLF). (Ethnic parochialism was the first contradiction to emerge in the "national" liberation movement.) Much of the book is a grisly account of the chronol-

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ogy of battles. In his conclusion, Pateman addresses one of the persistent international objections to Eritrean independence: small states are not viable. Here he is most persuasive:

> [Since UN mandated federation] . . . over fifty countries with a smaller population and many with much fewer resources than Eritrea have become independent. In Africa, there are eighteen member states of the OAU with smaller populations than Eritrea; moreover some twenty micro states have been created in the Pacific and Caribbean. (pp. 211–12)

Small but viable states are held to be better than sprawling empires poorly governed and beset by domestic strife.

Markakis's study of nationalism in the Horn of Africa offers a more dispassionate analysis of the origins and evolution of dissident nationalism. Geographically and temporally his focus is broad. Following a profile of the region, successive chapters explore specific political movements "whose goal is to change the structure of the existing states in the Horn of Africa, or to establish states of their own" (p. xvii). Rich opportunities are afforded for comparative analysis.

Although Markakis shows the material inducements for dissident nationalism—most prominently, discrimination in government employment—he also points out that the leadership for both the Eritrean and Tigrean movements came almost entirely from the student population and was highly ideological:

> Eritreans in the university at Addis Ababa distinguished themselves by their political activism, and their immersion in the radical ideological currents that were beginning to surge in Ethiopian student circles in the mid-1960s. . . . Many even among the older generation of educated Eritreans were to follow the example of the students who rallied to the nationalist movement almost as a body in the late 1960s. (p. 119)

Much discussed by students were Marx's views on the class origins of ethnic grievances and Lenin's views on the right of self-determination. Dawit reports that most Ethiopian students supported the Eritrean liberation movement because it was the only organized movement against Haile Selassie. According to Dawit, most reasoned that once Haile Selassie and the feudal system were overthrown, the national question and the question of self-determination would be solved by the eradication of class differences and the provision of equality and autonomy to all nationalities.

To students in the 1960s Ethiopia must have looked like the Russia Lenin denounced as "the tsar's prison of nations." But Lenin's writing on the nationalities question and the right of succession are ambiguous,

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if not contradictory. Ugly disputes broke out over the correct interpretation, and discord mounted over the course of the Ethiopian Revolution. Failing to get what they wanted to Addis Ababa, students retreated to their native provinces and fanned dissident nationalism.

This interpretation of dissident nationalism, which emphasizes students and their ideas, is supported by Markakis's account of the founding of the second most powerful liberation movement, the Tigrean:

> Tigrai youths in the university in Addis Ababa were active in the student movement and were well represented in radical circles. . . . [T]he Tigrai radicals became involved in a running debate with their compatriots . . . on the relative importance of class and national contradictions. . . . After the seizure of power [by the military] they produced a pamphlet . . . with the ominous title "E tek" (To Arms) . . . and began forming an organization . . . to struggle for self-determination. The die had been cast precipitately it would appear, for the Tigrai radicals challenged not only the newly established military regime . . . but they also broke ranks with their Ethiopian radical comrades. . . . In emulation of the Eritreans . . . first base was established on a mountain. . . . The emerging guerrilla force . . . [consisted of] a hundred youths, most of them former students. (pp. 252–53)

Once again, ideology seems to provide more than iconography. And the ideology that resonated was Marxism-Leninism. Ironically, it emerged not from the university community's contact with the Soviet Union or with other socialist countries, but from ties to the U.S. and, to a lesser degree, to Western Europe.[10]

What remains unclear from recent scholarship is the extent to which the students' success can be traced to ethnic grievances as opposed to general dissatisfaction with Mengistu's regime. There must be something deficient or provocative in the way those who have governed this multinational system succeeded in fueling these rebellions. Unfortunately, no scholar provides much illumination on this key, albeit difficult, question.

Dawit is exceptional in this regard in that, for him, the resolution of ethnic rebellion depends, not on the Ethiopian "state," but on the caprice of a single individual—Mengistu. In his concluding discussion of the dissident nationalist movements, Dawit notes:

> From my observation of the capacity of these movements, their aspirations . . . the worst is yet to come and could lead to the breakup of the nation. Anarchy is descending over Ethiopia. In meeting after meeting, Mengistu has been told both politely and emotionally that we must look for alter-

[10] See Forrest Colburn, "The Tragedy of Ethiopia's Intellectuals," *Antioch Review* 47 (Spring 1989), 133–45.

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natives to the military solution. He refuses and always predicts that the situation will get better soon. It always get worse. (p. 119)

Economic Decline

Even before the military officers who ousted the emperor committed themselves to scientific socialism, they began seizing control of the "commanding heights" of the Ethiopian economy. Industrial, financial, and commercial enterprises were nationalized. And the state assumed near control over foreign trade. In addition to nationalizing major urban-based firms, five thousand commercial farms were nationalized. Although they represented only a small percentage of land under cultivation, commercial farms monopolized the production of such important crops as sugar and cotton. Finally, the government conferred on itself broad authority to regulate what remained of the private sector and to begin laying the foundations for central planning.

Arguably more important, however, have been government initiatives toward peasant agriculture. Ethiopia is not only a decidedly agrarian economy but one dominated by peasants. Agriculture provides 80 percent of employment and 85 percent of exports. Peasants farm about 96 percent of cultivated land. They produce 90–94 percent of the cereals, pulses, and oilseeds, and about 98 percent of the coffee, the most important export.[11] Given the incipient level of modernization in Ethiopia, progress depends overwhelmingly on the health of agriculture. Obversely, any failure in the sector results in hardship because the bulk of the population lives so close to subsistence.

In early 1975, the new regime promulgated land reform: all rural land was nationalized without compensation; tenancy was abolished; the hiring of wage labor on private farms was forbidden; all commercial farms were to remain under state control; and all peasants were to have "possessing right" to a plot of land not exceeding ten hectares (roughly twenty-five acres).[12] The reform was welcome in the southern part of Ethiopia, where tenancy was common and rural elites were exploitative. But there was some resistance in northern provinces, where communal ownership was typical and large holdings and tenancy were exceptions. The regime promptly organized peasants into peasant associations. In

[11] Figures are from Steven Franzel et al., "Grain Marketing Regulations: Impact on Peasant Production in Ethiopia," *Food Policy* 14 (November 1989), 347–58, at 348.

[12] The Provisional Office for Mass Organizational Affairs; Agitation, Propaganda and Education Committee, *Basic Documents of the Ethiopian Revolution* (Addis Ababa: Provisional Office for Mass Organizational Affairs; Agitation, Propaganda and Education Committee, 1977), 18–47.

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light of the poverty of Ethiopia and the inexperience of the new government, the successful organization of peasants in every corner of the country outside those areas held by rebels was an extraordinary accomplishment, even if it was done with the threat of coercion to those expressing reluctance. Initially, it appeared as if the peasant organizations would provide an institutional basis for rural development and self-help activities. They have been used mostly as an instrument for government policies motivated by a quixotic combination of ideological impulses and a pragmatic need to extract resources.

All macroeconomic indicators suggest that the Ethiopian economy has deteriorated in the postrevolutionary epoch. The poor economic performance can be explained in part by severe resource constraints, aggravated by secessionist movements, conflict with Somalia, drought, and world economic trends. Yet the depth, persistence, and uniformity of economic difficulties suggests that government policies are at fault, too. Problems have emerged even on state farms where the government has considerable autonomy and is well endowed with resources. An Ethiopian study reports:

> During a working visit . . . Chairman Mengistu . . . noted with heavy concern the shortcomings of the state farms and how the performance and operations of the state agro-industrial activities were far from desirable and at times catastrophic.[13]

Since 1974 annual growth in agricultural production has only been about 1 percent. Population growth has been approximately three times as high, resulting in declining per capita production.

Surveys of peasants have revealed that the production of foodstuffs has been thwarted by forced requisitions of harvests at low prices and by unwelcome efforts to promote collective farming.[14] And the nationalization of land means that no household has any incentive to improve the land in ways that would safeguard, or increase, its productivity. Peasant associations are unable to influence government policy, leaving peasants with no alternative except flight or foot dragging. Proverbial expressions of resignation abound: "The son of the Blue Nile is thirsty"; "Whether there are one or two lactating cows, my cup of milk is the same, says the cat"; "May our great God help us."

Paul Henze, a frequent commentator on Ethiopia, presents in pub-

[13] Johannes Kinfu, "Towards Understanding the Public Corporation, and/or Public Enterprise, State Enterprise in a Socialist Industrial Transformation and to Provide Proper Accounting for It" (Mimeo, Addis Ababa, 1980), 25.

[14] See, for example, Dessalegn Rahmato, *Agrarian Reform in Ethiopia* (Trenton, N.J.: Red Sea Press, 1985); and Franzel (fn. 11).

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lished form a lengthy Soviet report on the Ethiopian economy. The 1985 report was authored by advisers from the Soviet State Planning Commission (GOSPLAN). As with all correspondence between the Soviet Union and Ethiopia, it was written in English. As Henze points out in his introduction, the report was prepared before Gorbachev's reforms were implemented; indeed, Gorbachev had been general secretary for less than six months at the time the report was completed. Yet the report criticizes the Ethiopian regime's reliance on state control of the economy, disinterest in the private sector, neglect of prices, and attempted collectivization of the peasantry. The hallmarks of Marxist-Leninist economics were dismissed as being counterproductive by the official representatives of the most advanced—and experienced—socialist state.

Mekuria examines the fate of those who have fled Ethiopia, usually by walking to neighboring Sudan or Somalia, two countries with enormous problems of their own. He claims that Ethiopian refugees constitute half of all refugees in Africa. The tale of Ethiopian refugees is sad. Flight is an option only for those who live close to the borders, and it is exceedingly risky. For those who reach the border, other difficulties present themselves. In one survey of settlements in Sudan, 30 percent of the children died during their first year in the country (p. 141). Integration into other societies is elusive.

More commonly, desperate peasants migrate from the heart of the country to the cities. Ethiopia's noted scholar Dessalegn Rahmato writes passionately of these migrations:

> The mass migration of peasants to the urban areas carries . . . a variety of meanings and messages. To begin with, it is a form of collective articulation of the demand for the consecration of the right to life, a right which requires the satisfaction of the most elementary needs of individuals and communities, namely food. Secondly, it is a form of silent protest. The migration of thousands of peasants from the vast recesses of the countryside where they are "invisible" to the road side towns there they are highly visible contains a clear but unexpressed message: state and society have no political or moral right to write us off, or to ignore our plight![15]

Given the secrecy of the Ethiopian government, the size and diversity of the country, and the paucity of reliable data even in the desks of ranking bureaucrats, the books reviewed here do a commendable job of delineating the economic woes of postrevolutionary Ethiopia. But again, the lack of comparative or theoretical analysis of specific characteristics

[15] Dessalegn Rahmato, *Famine and Survival Strategies* (Addis Ababa: Institute of Development Research, 1987), 188–89.

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of the polity, such as economic mismanagement, is disappointing.[16] Abstract discussions of "state strength" or "state softness" are a poor substitute.

Conclusion

Studies of individual countries remain the most common work of scholars in the field of comparative politics. The motivation and rationale for the study of particular countries are clear and enduring. But prestige and sometimes, unfortunately, even legitimacy within the ranks of scholars is accorded to those who engage in cross-national studies. Even scholars who write about China, a country of over a billion inhabitants, are sometimes asked to justify "the larger significance of their work." To enrich their studies, satisfy their own curiosity, and disarm critics, scholars of individual countries routinely engage in comparative analysis. They do so with varying levels of commitment and skill. But there does seem to be a tendency, exemplified by recent scholarship on Ethiopia, to follow the dictates of academic fashion and pitch comparative inquiries to the highest level of generality—the state and the state system.

Grand statements about the state may well have utility for comparative macrohistory and for overarching societal theory. They are, however, entirely unsuitable for a single-country study. These must first and foremost present solid information about what really happened in the specific context, identifying the principal actors—individuals and groups—and analyzing and attempting to account for their behavior. Comparative analysis and social theory can be helpful, even necessary, for the task. But both are most profitably employed to help illuminate specific phenomena and processes, such as the conduct of government, communal politics, and economic management. The available "literature" encompasses far more than billowing discussions of the state.

Less abstraction is likely to result in more penetrating studies of individual polities. It is also likely to raise, on occasion, the hitherto neglected question of moral responsibility, as "sweeping historical forces" are replaced by choices made by individuals or groups. Contemporary African states are commonly said to be more or less, mostly more, misgoverned by incompetent and predatory rulers—the consequence of colonialism or neocolonialism, lack of indigenous institutions, insufficient experience, and cultural disabilities. According to this logic, Ethiopia is just another

[16] An example of the kind of comparative analysis that could be profitably consulted is David Morawetz, "Economic Lessons from Some Small Socialist Developing Countries," *World Development* 8 (May–June 1980), 337–69.

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victim of these powerful, impersonal forces. Such explanations are suspect. The scholarship on Ethiopia reviewed here, despite its shortcomings, suggests an unrelieved chronicle of misgovernment that ought to be charged to those who have perpetuated it. Neither the brutal and continuing violations of human rights, nor the ethnic rebellions, nor the collapse of the economy were foreordained or historically inevitable. They were caused and certainly aggravated by Ethiopia's ruling elites, including the tragic conjunction of a military clique imposing Stalinist patterns of economic management. If students of politics are to regard political actors as morally responsible individuals, rather than products of impersonal historical forces, then the quality of their stewardship is indeed a matter that scholars should be willing to observe, analyze, and, yes, judge. Elites may be constrained by their circumstances, but they retain large degrees of freedom. And for the exercise and consequences of that freedom they should be held morally responsible.

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NUCLEAR STRATEGY AND NUCLEAR WINTER

By THEODORE RUETER AND THOMAS KALIL

David E. Fisher. *Fire and Ice: The Greenhouse Effect, Ozone Depletion and Nuclear Winter*. New York: Harper and Row, 1990, 232 pp.
Lester Grinspoon, ed. *The Long Darkness: Psychological and Moral Perspectives on Nuclear Winter*. New Haven: Yale University Press, 1986, 213 pp.
Allen Lynch. *Political and Military Implications of the "Nuclear Winter" Theory*. New York: Institute for East-West Security Studies, 1987, 49 pp.
Carl Sagan and Richard Turco. *A Path Where No Man Thought: Nuclear Winter and the End of the Arms Race*. New York: Random House, 1990, 499 pp.
Peter C. Sederberg, ed. *Nuclear Winter, Deterrence, and the Prevention of Nuclear War*. New York: Praeger, 1986, 202 pp.

THE "nuclear winter" thesis advanced in 1983 by Turco, Toon, Ackerman, Pollack, and Sagan ("TTAPS")[1] seemed to portend a revolution in strategic theory and policy. One commentator declared that the nuclear winter data "change everything in the world about the prospect of thermonuclear warfare."[2] Another observer asserted that the nuclear winter science "seemed to promise a fundamental change in the way the world looked at nuclear weapons and war."[3] A reviewer of *The Cold and the Dark*[4] maintained that it could be "the most important book ever published," with greater impact on the direction of humanity than "the Odyssey, the Bible, the Koran, or the collected works of William Shakespeare."[5]

Drawing on the perspective gained in the intervening years, this essay aims to examine the effect of the nuclear winter thesis upon the strategic debate. Our argument is that both "hawks" and "doves" responded to the nuclear winter thesis in an ideological manner, illustrating the theological nature of the debate on nuclear strategy.

[1] Richard P. Turco, Owen B. Toon, Thomas R. Ackerman, James B. Pollack, and Carl Sagan (TTAPS), "Nuclear Winter: Global Consequences of Multiple Nuclear Explosions," *Science* 222 (December 23, 1983), 1283–90.
[2] Lewis Thomas, "Foreword," in Paul R. Ehrlich et al., eds., *The Cold and the Dark: The World after Nuclear War* (New York: W. W. Norton, 1984), xxi.
[3] Gregg Herken, *Counsels of War*, expanded ed. (New York: Oxford University Press, 1987), 331.
[4] Ehrlich et al. (fn. 2).
[5] Cited in Russell Seitz, "In from the Cold: 'Nuclear Winter' Melts Down," *National Interest* 5 (Fall 1986), 7.

World Politics 43 (July 1991), 587–607

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The Nuclear Winter Science

TTAPS concluded that a 5,000-megaton exchange in which urban areas and hardened military targets were destroyed could result in a months-long period of darkness and subfreezing temperatures.[6] Only a small percentage of the solar radiation would penetrate the pall of dust and smoke, and average temperatures in large portions of the Northern Hemisphere might drop by as much as 15 to 25 degrees centigrade during the summer. (A nuclear exchange in the late fall would have lesser climatic effects, because sunlight and temperatures are already low, and the growing season is over.) Effects of similar magnitude would occur if 100 megatons (in the form of one thousand 100-kiloton bombs) were airburst in urban areas. Attacks against cities are more likely to cause a nuclear winter than are attacks against isolated military targets, because of the great volume and opacity of the soot generated by burning cities. Accordingly, low-yield surface bursts directed against military targets would have less severe consequences.

Several studies prior to TTAPS attempted to estimate the consequences of nuclear war. In 1979 the Office of Technology Assessment concluded that 88 percent of the U.S. population could die as a result of a nuclear war in which cities were targeted. Even a strike against U.S. missile silos would result in three to twenty-two million casualties.[7] A 1982 World Health Organization report concluded that survivors of a nuclear war would face epidemics, radiation sickness, contamination of food and water supplies, inadequate medical assistance, psychological disorders, food shortages, and the breakdown of social and economic systems.[8] In 1982 Paul Crutzen and John Birks argued that the fires resulting from nuclear explosions would produce tar and soot, each of which would absorb sunlight and ash, causing "twilight at noon."[9]

The TTAPS study stimulated a great deal of additional research and commentary on the consequences of nuclear war.[10] Some studies examined the biological and environmental consequences of subfreezing temperatures, low light levels, and radiation. Paul Ehrlich and associates

[6] TTAPS (fn. 1).

[7] U.S. Congress, Office of Technology Assessment, *The Effects of Nuclear War*, OTA-NW-89 (Washington, D.C.: OTA, May 1979).

[8] World Health Organization, *Effects of Nuclear War on Health and Health Services*, Publication no. A26-12 (Rome: World Health Organization, 1982).

[9] Crutzen and Birks, "The Atmosphere after a Nuclear War: Twilight at Noon," *Ambio* 2, no. 2–3 (1982), 115–25.

[10] Reviews of the nuclear winter science are provided in Mark A. Harwell and Christine C. Harwell, "Updating the Nuclear Winter Debate," *Bulletin of the Atomic Scientists* 43 (October 1987), 42–44; and Alan Robock, "New Models Confirm Nuclear Winter," *Bulletin of the Atomic Scientists* 45 (September 1989), 32–35.

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concluded that "the population size of Homo sapiens conceivably could be reduced to prehistoric levels or below" in the aftermath of a 10,000-megaton nuclear war.[11] The Scientific Committee on the Problems of the Environment of the International Scientific Union determined that a nuclear war could result in "a potential loss of about one to a few billion humans from long-term consequences."[12]

The TTAPS study also attracted a great deal of criticism. Some scientists argued that the TTAPS model overstated the consequences of nuclear winter or that there remained a great deal of uncertainty as to the likely length of a nuclear winter. For example, George Carrier, co-chair of a 1984 National Academy of Science study on the subject, noted that "the uncertainties that pervade the quantitative assessment of the atmospheric effects of a major nuclear exchange are so numerous and so large that no definitive description of those effects is possible at this time."[13] Similarly, the General Accounting Office concluded in 1986 that the effect of a nuclear exchange upon the production of dust and smoke, its injection into the atmosphere, and the atmospheric response to these contaminants could not be predicted with certainty.[14]

Several analysts have criticized the nuclear war scenarios used as the baseline case by the TTAPS group. Albert Wohlstetter observed that these scenarios "hardly describe a sequence of events at all. Rather, they list a collection of simultaneous explosions by the two antagonists well-designed to bring on a global disaster."[15] Russell Seitz asserted that the TTAPS model ignored physical reality, as it featured a planet without continents or oceans, and days of twenty-four hours of sunlight at one-third strength. Instead of hypothesizing realistic smoke emissions, the TTAPS model "simply dumped a ten-mile soot cloud into the atmosphere instantly." The model also "dealt with such complications as east-west winds, sunrise, sunset, and patch clouds in a stunningly elegant manner—they were ignored."[16]

Much recent research has predicted less severe temperature reductions than those predicted by TTAPS. Starley Thompson and Stephen

[11] Ehrlich et al., "Long-Term Biological Consequences of Nuclear War," *Science* 222 (December 23, 1983), 1293.

[12] Mark A. Harwell and Thomas C. Hutchinson, *Environmental Consequences of Nuclear War,* vol. 2, *Ecological and Agricultural Effects* (New York: John Wiley, 1985), 484.

[13] Carrier, "Nuclear Winter: The State of the Science," *Issues in Science and Technology* 1 (Winter 1985), 114–17, at 117.

[14] U.S. General Accounting Office, *Nuclear Winter's Uncertainties Surrounding the Long-Term Effects of Nuclear War* (Washington, D.C.: GAO, March 1986).

[15] Wohlstetter, "Between an Unfree World and None: Increasing Our Choices," *Foreign Affairs* 63 (Summer 1985), 962–94, at 977.

[16] Seitz (fn. 5), 4.

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Schneider, for example, concluded that a "nuclear fall" was a more likely scenario than a nuclear winter, since temperature reductions would be mitigated by factors such as the capacity of oceans to hold heat and the "greenhouse effect" of the smoke.[17] Other analysts have asserted that TTAPS overestimated the amount of combustible material in the United States, Europe, and the Soviet Union.[18]

In a 1990 report the TTAPS group revised its original prediction of a 15–25 degree centigrade temperature reduction from a nuclear exchange to one of 10–20 degrees centigrade. They point out, however, that even this relatively small decrease in temperatures could be enough to trigger widespread crop failure, famine, and "more human casualties than the direct effects of nuclear war.[19]

Sagan and Turco, in *A Path Where No Man Thought*, compare the original TTAPS conclusions on the effects of nuclear winter with the latest findings of numerous researchers. They maintain that, with only modest modifications, the original TTAPS calculations are still valid (pp. 445–53).

The Hawks' Response

Many hawkish and dovish strategic analysts strove (sometimes in bizarre fashion) to utilize nuclear winter as an argument for their previously held policy preferences. For hawks, nuclear winter was an additional argument for counterforce and limited nuclear options; for doves, it was an additional argument for disarmament and arms control.

One response of American hawks to the TTAPS report was denial. Thomas Powers reported that Pentagon officials with whom he conversed seemed to have "a wistful hope that 'more study' [would] make the nuclear winter problem go away."[20] Steven Kull conducted interviews with numerous high-ranking American defense officials and reported the feeling of some that "the apocalyptic character of nuclear war had been exaggerated." Some argued that "damage to cities would be limited because the Soviets have a counterforce targeting doctrine." In

[17] Thompson and Schneider, "Nuclear Winter Reappraised," *Foreign Affairs* 64 (Summer 1985), 163–78.

[18] Malcolm W. Browne, "Nuclear Winter Theorists Pull Back," *New York Times*, January 23, 1990, pp. C1, C8.

[19] R. P. Turco et al., "Climate and Smoke: An Appraisal of Nuclear Winter," *Science* 247 (January 12, 1990), 166–76.

[20] Powers, "Nuclear Winter and Nuclear Strategy," *Atlantic Monthly*, November 1984, p. 64.

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addition, "a fair number dismissed the nuclear winter theory, though their basis for doing so was not well articulated."[21]

Another response of American hawks was to argue that nuclear winter was an additional impetus for counterforce, limited nuclear options, strategic modernization, and active and passive defense. In March 1985, at the direction of Congress, the Pentagon produced a report on the implications of the nuclear winter thesis for U.S. strategy. The report argued that if the environmental effects of nuclear war were worse than previously imagined, the case for a U.S. escalation dominance capability is even stronger: "It is our position that, however an adversary chooses to initiate nuclear conflict, we must have forces and a targeting capability so that our response would deny either motive or advantage to the aggressor in further escalating the conflict."[22]

The Pentagon report also asserted that an improved system of command, control, communications, and intelligence (C3I) could help to control possible escalation to nuclear winter effects: "Survivable C3I contributes to escalation control and thus . . . to mitigation of damage levels (of whatever kind, including possible climatic effects) by reducing pressures for immediate or expanded use of nuclear weapons out of fear that capability for future release will be lost."[23]

American hawks also claimed that the nuclear winter thesis should compel strategic planners to acquire weapons that would not trigger a nuclear winter. The Pentagon report made the case that MARVs, earth-penetrating warheads, and non-nuclear strategic weapons "could reduce yields and in other ways limit the starting of fires."[24] Michael Altfeld and Stephen Cimbala suggested that "targets within cities could be struck without creating global catastrophe" by using "weapons of very low yield delivered with precision accuracy."[25] Wohlstetter also endorsed the concept of environmentally sensitive weapons and targeting policies: "We should make it clear that we will not respond to an attack in any way that would have a substantial chance of causing a nuclear winter."[26] RAND analyst J. J. Gertler argued that the development of enhanced radiation weapons (ERWs) would be desirable, because "they would have much less nuclear winter effects than conventional nuclear devices of

[21] Kull, *Minds at War: Nuclear Reality and the Inner Conflicts of Defense Policymakers* (New York: Basic Books, 1988), 75.

[22] Secretary of Defense Caspar W. Weinberger, "The Potential Effects of Nuclear War on the Climate: A Report to the United States Congress," Washington, D.C., March 1985, p. 11.

[23] Ibid., 12.

[24] Ibid., 15.

[25] Altfeld and Cimbala, "Targeting for Nuclear Winter: A Speculative Essay," *Parameters* 15, no. 3 (1985), 8–15, at 11.

[26] Wohlstetter (fn. 15), 990.

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similar yield." Neutron bombs would be particularly useful on European battlefields, "whose densely populated cities and thick forests would produce a heavy combustible fuel load." Furthermore, "ERW and (debatably) chemical weapons are the only super-conventional systems whose effects can be restricted to theater or battlefield," and they "thus become more important as deterrents to conventional attack."[27] Peter deLeon noted that

> accelerated development and deployment of earth-penetrating and wide-area munitions [could] utilize either conventional or low-yield nuclear warheads as a means to debilitate hardened Soviet targets (such as missile silos) without incurring the nuclear winter costs of the magnitude currently debited to larger warheads.[28]

In addition, Robert Kennedy of the Army War College stated that defense planning should move toward a reduction in warhead yield and the deployment of less vulnerable mobile missiles.[29]

American hawks also argued that the nuclear winter thesis should lead policymakers to emphasize limited nuclear options and selective targeting. While some supporters of assured destruction argued that the flammability of hostage cities greatly enhances deterrence, hawks maintained that intentionally targeting cities is both immoral and strategically unwise. The Pentagon's nuclear winter report stated that countervalue strikes "necessarily have a high probability of starting major fires and consequently, of creating large amounts of smoke."[30] For Colin Gray, the nuclear winter thesis should assist those "still in need of enlightenment on nuclear strategy," by serving as "the final nail in the coffin of the concept of mutual assured destruction (MAD) and its variants,"[31] which, according to Gray, becomes even less credible given the inherently catastrophic nature of its implementation. While some doves asserted that the nuclear winter thesis invalidated scenarios of a limited nuclear war, hawks argued instead that the thesis reinforced incentives to control escalation and war termination.[32]

[27] Gertler, *Some Policy Implications of Nuclear Winter*, P-7045 (Washington, D.C., RAND Corporation, January 1985), 10.

[28] DeLeon, "Rethinking Nuclear Conflict: Strategic Implications of a Nuclear Winter," *Defense Analysis* 3 (December 1987), 319–36, at 331.

[29] Robert Kennedy, "Nuclear Winter, War Prevention, and the Nuclear Deterrent," in Sederberg, 160–61. It should be noted that these policy prescriptions have not been adopted by the Pentagon, which still seeks large warheads such as the MX, and whose targeting plans still call for attacking cities. See Lawrence W. Woodruff, "Nuclear Force Modernization Efforts," *Defense Issues*, March 11, 1988, pp. 1–8.

[30] Weinberger (fn. 22), 11.

[31] Gray, "The Nuclear Winter Thesis and the U.S. Strategic Policy," *Washington Quarterly* 8 (Summer 1985), 85–96, at 94.

[32] Fred J. Reule, *Nuclear Winter: Asymmetrical Problems and Unilateral Solutions*, Airpower

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One reason that the nuclear winter thesis adds to the case for limited nuclear options, according to American hawks, is that the Soviets are likely to emphasize their own capability for selective strikes. Wohlstetter stated that a Soviet military planner might seek to maximize the nuclear winter effect by targeting cities and other targets with high densities of fuel, as well as by exploding "high-yield weapons at altitudes that would maximize the thermal pulse over combustible areas and so send smoke in huge quantities into the atmosphere." However, Wohlstetter finds it "far more likely" that a Soviet military planner "might use nuclear weapons to accomplish some military purpose in the course of war, and do it in a way that takes account of the fact that destruction extraneous to that purpose would cause a nuclear winter and make that military purpose idle."[33] Altfeld and Cimbala maintained that the effect of nuclear winter "may well be to make nuclear war appear much more wageable and controllable than it now appears to be, and deceptively similar to past wars," due to incentives for city avoidance and the acquisition of low-yield, high-accuracy weapons.[34]

RAND analyst Philip Romero argued that nuclear winter makes nuclear war more likely. He reasoned as follows: (1) both superpowers will attempt to minimize the nuclear winter effect by deploying low-yield, high-accuracy weapons; (2) this will make concealment and mobility the only means of protecting one's arsenal; (3) the pace of a war would then depend on the ability of each side to acquire information on the location of its opponent's weapons; and (4) both sides will seek to destroy each other's reconnaissance satellites and intelligence centers. Therefore, Romero concluded, "attacks will probably be very small (one to perhaps ten weapons per volley). A true 'slow-motion' war could last months or years."[35]

American hawks also used the nuclear winter thesis as an argument for strategic defense, since a successful defense of cities would reduce the amount of smoke injected into the atmosphere. President Reagan stated in 1985 that a nuclear war "could end up in a victory for no one because we would wipe out the earth as we know it." Therefore, in order to avoid "the nuclear winter that scientists have been talking about," a ballistic missile defense system should be constructed "in such a way that

Research Institute, Maxwell Air Force Base, Alabama, Report no. US-ARI-CP-86-1, September 1986, p. 27.

[33] Wohlstetter (fn. 15), 972.

[34] Altfeld and Cimbala (fn. 25), 13.

[35] Romero, *Nuclear Winter: Implications for U.S. and Soviet Strategy*, P-7009 (Washington, D.C.: RAND Corporation, August 1984), 18.

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those missiles aren't going to get to their target."[36] The Pentagon's report on nuclear winter stated that a defensive system "may provide a greater mitigating effect on atmospheric consequences" than likely arms reduction agreements.[37]

The policy response of American hawks to the nuclear winter thesis has numerous defects. The Pentagon's proposed environmentally sensitive policies would prove ineffective unless the Soviets and third parties follow suit—a most unlikely result. The Soviet nuclear arsenal is full of "heavy" missiles, French strategic policy is based on the idea of countervalue targeting, and decision makers in N + 1 countries are not likely to be interested in restricting the megatonnage of their arsenals. Moreover, a nuclear war that started with "technical fix" weapons might not end with them unless all sides retired their heavy missiles and/or exercised incredible self-restraint.

The hawks' analysis of how nuclear war should be conducted in light of the nuclear winter thesis is also misguided. Romero's scenario for a protracted, intermittent nuclear war is fanciful. What he failed to explain is why the United States and the Soviet Union would continue a war in such "slow motion." Clearly, these strikes would be of limited military utility, since a salvo would probably expend more warheads than it would destroy. Furthermore, national leaders would have ample time to negotiate a settlement between the rounds of a war of attrition. Alternatively (also in opposition to Romero's view), an initial strike could escalate into all-out destruction, due to the nature of decision making in times of crisis and the colocation of civilian and military targets.[38]

The hawks' analysis also appears to have ignored the fact that the effects of nuclear winter could seriously degrade the performance of command and control facilities. The director of the Navy's Strategic and Theater Nuclear Warfare Division speculated that the dust raised by nuclear detonation could also seriously damage bombers, cruise missiles, and airborne command posts.[39] In short, the postattack environment does not appear to be conducive to the execution of a carefully orchestrated multiple-exchange nuclear war.[40]

[36] "Transcript of Interview with President on a Range of Issues," *New York Times*, February 12, 1985, p. A10.

[37] Weinberger (fn. 22), 13.

[38] Desmond Ball, *Can Nuclear War Be Controlled?* Adelphi Paper no. 169 (London: International Institute for Strategic Studies, 1981).

[39] R. F. Bacon, U.S. Congress, House Committee on Science and Technology, Hearing, *The Climatic, Biological, and Strategic Effects of Nuclear War*, September 22, 1984, p. 231.

[40] Palomar Corporation (Washington, D.C.), "Implications of the 'Nuclear Winter' Thesis" (Prepared for the Defense Nuclear Agency, Contract #001-84-C-0257, June 25, 1985), 22–23.

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Finally, all of the measures advocated by the hawks in response to the nuclear winter thesis—escalation dominance, command and control improvements, low-yield weapons, selective nuclear targeting, and strategic defenses—all fall prey to the traditional damage limitation/war prevention trade-off. Strategic analysts have long faced the "usability paradox"—that making nuclear weapons too destructive lessens the credibility of their use, while making them less destructive may lessen constraints against their use.

The Doves' Response

American "doves," of course, had a vastly different policy response to the nuclear winter thesis. They suggested that nuclear winter reinforced the need for one of three policies: mutual assured destruction, arms control, or global disarmament.

Some doves embraced the nuclear winter concept, arguing that it buttressed the fact that mutual assured destruction is an inescapable physical reality rather than a mutable strategic doctrine. Former Admiral Noel Gayler posited that nuclear winter makes deterrence much easier, because "there will be no bystanders" in a nuclear war, because the nuclear balance becomes meaningless if only a relatively small number of warheads is required to trigger a nuclear winter, and because cheating on agreements would have to be immense to make a difference. For Gayler, "the policy implications of this analysis are straightforward. The prospect of nuclear winter reinforces the already totally unacceptable character of nuclear war."[41]

Similarly, Herbert Simon declared that "the nuclear winter scenario replaces the prospect of mutual destruction through the failure of mutual deterrence by the prospect of assured self-destruction through nuclear attack." Given nuclear winter, "a second strike is no more appetizing than a first, and a preemptive strike loses any gambling appeal that it might have had."[42]

George Quester made the argument that nuclear winter reinforces the logic of mutual assured destruction, because it increases the costs of initiating a nuclear war. The nuclear winter theory answers "with a resounding reassurance" that retaliation against a nuclear first strike "will be adequate—as long as the two nuclear stockpiles remain so large." Deterrence is assured "because the Soviets will starve if they apply a

[41] Admiral Noel Gayler, U.S. Congress, Joint Economic Committee, Hearing, *The Consequences of Nuclear War*, July 11 and 12, 1984, p. 6.

[42] Simon, "Mutual Deterrence or Nuclear Suicide," *Science* 223 (February 24, 1984), 775.

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thermonuclear torch to U.S. cities." Nuclear winter provides "a reassurance of deterrence" which is "altogether satisfying and convincing." Quester concluded that the "ultimate moral response" to the nuclear question remained the doctrine of mutual assured destruction, as understanding "how bad a nuclear war would be keeps national leaders from crossing the line into such a war."[43]

For Dan Horowitz and Robert Lieber, "the nuclear winter phenomenon could require significant revisions in prevailing assumptions about nuclear deterrence." They assert that since nuclear war "could bring about the devastation or even extinction of human civilization," both disarming first strikes and nuclear war-fighting doctrines become less credible.[44]

Similarly, Carl Sagan argued in his essay in *The Long Darkness* that the nuclear winter thesis invalidated first strike scenarios and theories of limited nuclear war. With nuclear winter, the "retaliation" of the victimized nation would be automatic, and a first strike would be suicidal, as it would create a Pyrrhic victory of only ten days' duration "before the prevailing winds carry the nuclear winter to the aggressor nation." The "attractiveness" of the first strike "would seem to be diminished significantly" (Grinspoon, 38).

Sagan recognized that many hawks advocated the development of environmentally sensitive weapons to attempt to circumvent the effects of nuclear winter. Sagan opposed such a policy, since development of "post-TTAPS first strike weapons" could denote "a serious interest in making a climatically safe but disabling first strike." He also asserted that such an effort would be futile, as limited nuclear war would inevitably escalate to all-out war (Grinspoon, 42).

The nuclear winter thesis solidified the doves' opposition to ballistic missile defense. If the effects of a nuclear exchange are larger than previously anticipated, defense against incoming missiles becomes even more difficult. Even a ballistic missile defense system with a very high degree of success (even 90 percent) would be unsatisfactory, as it might lead to a false sense of confidence. A ballistic missile defense system could never protect American cities, because any attempt to do so would "likely" cause the Soviet Union "to target its missiles so as to maximize damage to the U.S. population," in spite of the fact that this would "pose

[43] Quester, "Nuclear Winter: Bad News, No News, or Good News?" in Catherine McArdle Kelleher, Frank J. Kerr, and George H. Quester, eds., *Nuclear Deterrence: New Risks, New Opportunities* (Washington, D.C.: Pergamon-Brassey's, 1986), 78–79, 80.

[44] Horowitz and Lieber, "Nuclear Winter and the Future of Deterrence," *Washington Quarterly* 8 (Summer 1985), 59–70, at 68.

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a serious danger of triggering a climatic catastrophe."[45] The Soviet Union could also attempt to overcome the system with a proliferation of nuclear warheads (Sagan, in Grinspoon, 45).

Doves also made the point that a terminal-phased interception system would contribute to a nuclear winter, since nuclear-tipped missiles that detonated at very low altitudes would start fires. This problem could be avoided with a boost-phase or non-nuclear defensive system. However, defensive systems would have a difficult time functioning in a dust- and smoke-laden environment. Sensors would have to be able to discriminate between warheads and decoys. One possible system would use long-wave infrared radiation (LWIR) to perform this task, "by trying to observe small differences in intensity, wavelength, and object motion." Unfortunately, the LWIR signal of an object "will also vary with the altitude of injected smoke, the size of the smoke particles, and their optical properties, as well as with the temperature of the upper atmosphere." Therefore, a defensive system "must have a very detailed understanding of the physical environment in which its sensors operate."[46] In short, nuclear winter would add to the "fog of war."[47]

While some doves stressed the contribution of the nuclear winter thesis to deterrence, others argued that nuclear winter made arms control an even greater imperative. Doves proposed U.S.-Soviet confidence-building measures, actions to reduce the risk of accident or miscalculation, the de-MIRVing of missiles, the abandonment of plans for limited nuclear war, retiring old weapons systems with high yields, improving communications at all levels, ratifying the SALT II Treaty, banning all nuclear warheads in excess of 300 kilotons, and reaching agreement with the Soviets to not target cities.

The nuclear winter thesis was also used by doves to argue for a doctrine of "no first use." If "in the age of massive thermonuclear overkill it no longer makes any sense—if it ever did—to hold these weapons for any other purpose than the prevention of their use," then the execution of a first use threat would be suicidal.[48] An American nuclear response to a Soviet invasion of Western Europe would be especially illogical if it were to result in the destruction of the American homeland even without a Soviet response. Bernard Weissbroud asserted that the nuclear winter

[45] Carl Sagan, U.S. Senate, Committee on Armed Services, Hearing, *Nuclear Winter and Its Implications*, October 2 and 3, 1985, p. 138.

[46] Theodore Postol (fn. 39), 104, 101.

[47] Herman Kahn, *On Escalation: Metaphors and Scenarios* (reprint, Westport, Conn.: Greenwood Press, 1986).

[48] McGeorge Bundy et al., "Nuclear Weapons and the Atlantic Alliance," *Foreign Affairs* 60 (Spring 1982), 753–68, at 768.

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thesis makes "providing an adequate conventional defense of Europe a matter of the utmost urgency.[49]

Many doves argued that the nuclear winter science created an additional imperative for nuclear disarmament. Helen Caldicott claimed that since "we hold in our hands the ability to destroy most of creation," mankind must rid the earth of this threat.[50] Herbert Simon maintained that because of nuclear winter, "the way is now open for nuclear disarmament, even partial unilateral nuclear disarmament."[51] The authors of the Soviet publication *Global Climatic Catastrophes* concluded that the best way to avoid "the unpremeditated self-destruction of mankind" would be "a gradual reduction and final elimination of all types of weapons that threaten the fate of mankind."[52] Three British authors contended that the only solution to the prospect of nuclear winter is "to halt and reverse the nuclear arms race."[53] David E. Fisher deduces that "since the idea of our launching fifteen thousand nuclear warheads is no longer feasible, there's not much point in keeping those fifteen thousand warheads ready to fly at the touch of a button" (pp. 203–4). Carl Sagan called for the superpowers to reduce their nuclear arsenals below the nuclear winter threshold, as a matter of "elementary planetary hygiene," because "it seems clear that the species is in grave danger at least until the world arsenals are reduced below the threshold for climatic catastrophe" (Grinspoon, 44).

Another argument that is consistent with the dovish position is that nuclear winter could be used to strengthen deterrence by creating a "doomsday machine" (Sederberg, 10).[54] The objective of a doomsday machine would be to convince potential aggressors that any nuclear conflict would bring about the destruction of the aggressor state (as well as the rest of humanity). A doomsday machine could be created by intentionally locating military assets in or near cities, by deploying mobile missiles (which could be moved near cities in a crisis), by deploying missiles in multiple protective shelters (forcing aggressors to launch a barrage attack that would induce nuclear winter), or by using "dirty bombs" (which could render cities uninhabitable with radioactive fallout).[55]

[49] Weissbroud, "Are Nuclear Weapons Obsolete?" *Bulletin of the Atomic Scientists* 40 (August–September 1984), 8.

[50] Caldicott, *Missile Envy* (New York: Bantam Books, 1984), 307.

[51] Simon (fn. 42), 775.

[52] Michael I. Budyko, Georgia S. Golitsyn, Yuri A. Izrael, *Global Climatic Catastrophes*, trans. V. G. Yanuta (Berlin: Springer-Verlag, 1988), 85.

[53] Owen Greene, Ian Percival, and Irene Ridge, *Nuclear Winter: The Evidence and the Risks* (Cambridge: Polity Press, 1985), 19.

[54] The concept of a doomsday machine originated with Herman Kahn, *On Thermonuclear War* (Princeton: Princeton University Press, 1960).

[55] Romero (fn. 35), 13, 16. Romero points out that Soviet war planners would have a more difficult time employing "dirty bombs" because of American urban sprawl—a "suburb gap."

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Sagan and Turco's recent book on nuclear winter, *A Path Where No Man Thought*, provides a comprehensive overview of the dovish view on nuclear winter and is thus deserving of special attention. While Sagan and Turco call for such measures as missile de-MIRVing, phasing out "short-flight-time intermediate range delivery systems in Europe and Asia," "gradual elimination of all forward-based tactical nuclear forces," conventional force reductions, and abandonment of the Strategic Defense Initiative (pp. 228–29), their clear policy preference is "minimum sufficient deterrence," to be followed by nuclear abolition.

Sagan and Turco maintain that minimum sufficient deterrence, defined as the "few hundred strategic weapons" that are "clearly enough to obliterate the United States or the Soviet Union as functioning economic and political entities," would provide "*greater* strategic stability than the present arsenals, and constitute a robust deterrent to conventional attack (p. 135; emphasis in original). For Sagan and Turco, "the specific nuclear winter objective in the transition to minimum sufficiency is to *generate a stable deterrence in which the probability of nuclear war is extremely small, but where, if the worst happens, there would be no significant global climatic consequences* (p. 233; emphasis in original). They maintain that there should not be "a hint of a Doomsday Machine" in global nuclear arsenals (p. 219). However, minimum sufficient deterrence is but "a way station to abolition—from which we can safely survey the landscape and the remaining obstacles" (p. 299).[56]

Sagan and Turco also address the problem of nuclear proliferation in a "minimum sufficient deterrence" regime. Their message is that if the superpowers set an example of disarmament, other states will fall in line, particularly because "the resources available to the superpowers" are "so great" that "adequate incentives could doubtless be found even for the most recalcitrant state," including "Israel, Iraq, South Africa, India, Pakistan, North Korea, Brazil, and Argentina (p. 286). While export controls would help to prevent proliferation, what is fundamentally required is "arms reductions from the top—those nations that first established the arms race gear-train, that *drive* the gear-train, have the responsibility, and increasingly the incentive, to stop the engine and demolish the links (p. 290; emphasis in original). Sagan and Turco claim that Britain, France, and China are willing to agree to minimum deterrence (p. 134), that Israel may have acquired nuclear weapons only because of the presence of American and Soviet nuclear weapons in their Mediterranean and Persian Gulf fleets, and that "withdrawal of Ameri-

[56] Sagan and Turco also state that if nuclear winter research indicates the "threshold" at about one hundred weapons each, "nuclear winter would then suggest that we move quickly from minimum sufficiency to abolition" (p. 416).

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can and Soviet nuclear weapons from the Middle East—which would be a natural consequence of an MSD regime—might assist Israel in reducing its arsenals" (p. 291).

One reason that Sagan and Turco are so optimistic about the possibility of minimum deterrence and nuclear abolition is that "an era of improved relations between the United States and the Soviet Union is the optimum time to reassess military doctrine and policy, to reconsider weapons systems on order, to reverse the arms race (pp. xviii–xix). "Astonishingly," they write, the world is witnessing "conventional force reductions and major advances in international amity" (p. 286). Prospects for future international amity are even brighter, they state, because of "global economic interdependence, the unexpected opening up of the Soviet Union and Eastern Europe to the rest of the world, the merging European Union, the improving effectiveness and acceptability of the United Nations and the World Court, and the growing political success of the environmental agendas," as well as improved global communications through television, telephones, facsimile machines, and computer networks (p. 300).

Nevertheless, Sagan and Turco warn against excessive optimism, arguing that it is a "dangerous illusion [to] think of the problem of nuclear war as solved" (p. xviii). Despite "all the genuine goodwill in the present attitudes of the superpowers and the profound changes in their relationship," the fact remains that each superpower has over 10,000 nuclear warheads, aimed "with fine premeditation" at specific targets on the other side (p. xviii). They also note that "there are over 10,000 tactical warheads and nuclear 'munitions' in Western and Eastern Europe, apart from the USSR" (p. 266).

The doves' analysis of the policy implications of the nuclear winter thesis is in numerous ways unpersuasive. Initially, the doves' argument that even a very successful ballistic missile defense system would have little value in preventing a nuclear winter is faulty. Even a "leaky" defensive system might prevent nuclear winter effects if arsenals are reduced significantly, and the dovish analysis makes the unprovable assumption that the superpowers would use their entire arsenal in a nuclear war and that cities would be the prime targets. Also, given the apparent scientific consensus that no single nuclear winter threshold exists, and that the nuclear winter is better described as a "progressive set of increasingly nasty ecological effects,"[57] it is possible that a defensive

[57] Donald M. Snow, "Strategic Uncertainty and the Nuclear Winter: Implications for Policy," in Paul Viotti, ed., *Conflict and Arms Control: An Uncertain Agenda* (Boulder, Colo.: Westview Press, 1986), 63.

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system could make a meaningful difference in the length and severity of a nuclear winter.

Further, Sagan and Turco's recommendation of a move toward minimum deterrence and nuclear abolition is both undesirable and unrealistic. Minimum deterrence would leave the nuclear balance far less stable, by making asymmetries in nuclear capabilities much more significant than under levels of high force. Minimum deterrence would also make extended deterrence on the part of the superpowers virtually impossible—thereby eliminating one of the strongest proliferation antidotes available. Very low levels of nuclear force among the major powers would also increase the attractiveness to LDCs of membership in the nuclear club and could make the world safe for conventional war, or even limited nuclear war (an outcome that Sagan and Turco even appear to *endorse*; p. 233). In addition, Sagan and Turco offer no insight as to how an international agreement requiring minimum deterrence or nuclear abolition is to be achieved or enforced.

Sagan and Turco's position on force levels is somewhat mystifying. They apparently believe that the fear of nuclear winter is an important contributor to the "end of the arms race," yet the policy they advocate would lessen the deterrence added by nuclear winter effects; indeed, it would create incentives for arms racing.[58] Given the fact that nuclear weapons may have created—or at least created the conditions for—the "long peace" of the postwar period,[59] it is up to advocates of radical policy change to demonstrate that their proposals would not disturb international stability.

There is also very little credibility to Sagan and Turco's analysis of the willingness of the international community to disarm. Nuclear weapons are central elements of the defense policies of Great Britain, France, and China. Statements quoted by Sagan and Turco about the willingness of those countries to move toward minimum deterrence and nuclear abolition should be read as merely rhetorical, belied by decades of actual behavior. Sagan and Turco's justification of past Israeli behavior, as well as their predictions of future Israeli willingness to disarm, are hardly credible, as the Israeli government has made it quite clear that it is not interested in disarming and that it is quite prepared to use military force. Furthermore, Sagan and Turco's optimism about the ability of the superpowers to influence the nuclear decisions of such states as Iraq and

[58] McGeorge Bundy, "The Bishops and the Bomb," *New York Review of Books*, June 16, 1983.

[59] John Lewis Gaddis, "The Long Peace: Elements of Stability in the Postwar International System," *International Security* 10 (Spring 1986), 99–142.

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North Korea is remarkable, as is their failure to specify just how this is to be accomplished.

Sagan and Turco are also guilty of taking contradictory positions on the impact of the nuclear winter thesis on deterrence. At one point they state that "nuclear winter strengthens deterrence" because it makes it possible that a massive first strike, "intended to destroy the retaliatory forces of the adversary, could boomerang and destroy the attackers without any effort on the part of the victim" (p. 145). However, at another point they state that "nuclear winter does, though, tend to undermine the current doctrine of deterrence," because with nearly sixty thousand nuclear weapons in the world, "how could the threat of a massive first strike or of massive retaliation be believable, if it inexorably puts the attacker in mortal peril?" (p. 224).

Sagan and Turco, noting that the world has recently undergone "astonishing" changes, conclude that international comity, aided by economic interdependence and international communication, have made nuclear abolition possible. Sagan and Turco appear to belong at the "liberal 'end of history' optimism" camp,[60] yet they show no awareness of this recent debate.[61] The outbreak of war in the Persian Gulf adds little to the credibility of Sagan and Turco's optimism.

While on one level Sagan and Turco believe that everything in the world has changed, on another level they believe that absolutely nothing has changed. Just like Richard Cheney[62] and Colin Gray,[63] they maintain

[60] Jack Snyder divides the debate over the future of Europe into three views: "liberal 'end of history' optimism," "Hobbesian pessimism," and "neo-liberal institutionalism"; Snyder, "Averting Anarchy in the New Europe," *International Security* 14 (Spring 1990), 5–41.

[61] Prominent proponents of liberal optimism include Francis Fukuyama, "The End of History?" *National Interest* 16 (Summer 1989), 3–18; Michael Doyle, "Liberalism and World Politics," *American Political Science Review* 80 (December 1986), 1151–69; idem, "Kant, Liberal Fallacies, and Foreign Affairs, Part I," *Philosophy and Public Affairs* 12 (Summer 1983), 2205–35; idem, "Kant, Liberal Fallacies, and Foreign Affairs, Part II," *Philosophy and Public Affairs* 12 (Fall 1983), 323–53; John Mueller, *Retreat from Doomsday: The Obsolescence of Major War* (New York: Basic Books, 1989); James Lee Ray, "The Abolition of Slavery and the End of International War," *International Organization* 43 (Summer 1989), 405–39; and Sissela Bok, *A Strategy for Peace: Human Values and the Threat of War* (New York: Pantheon Books, 1989). Prominent critics of this view include John J. Mearsheimer, "Back to the Future: Instability in Europe after the Cold War," *International Security* 15 (Summer 1990), 5–56; idem, "Why We Will Soon Miss the Cold War," *Atlantic Monthly*, August 1990, pp. 35–37, 40–42, 44–47, 50; Samuel P. Huntington, "No Exit: The Errors of Endism," *National Interest* 17 (Fall 1989), 3–11; LeonWieseltier, "Spoilers at the Party," *National Interest* 17 (Fall 1989), 12–16; and Richard N. Gardner, "The Comeback of Liberal Internationalism," *Washington Quarterly* 13 (Summer 1990), 23–39.

[62] Cheney stated that despite "Gorbachev's stated commitment to a defensive military doctrine, the Soviet Union continues upgrading its forces and improving their capabilities"; U.S. Department of Defense, *Soviet Military Power: An Assessment of the Threat, 1988* (Washington, D.C.: Government Printing Office, 1988), preface, no page.

[63] Gray, *War, Peace, and Victory: Strategy and Statecraft for the Next Century* (New York:

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that dramatically improved U.S.-Soviet relations do not alter the fact that both superpowers still aim thousands of nuclear warheads at each other. What Sagan and Turco fail to consider is that the nuclear arsenals of other countries must be viewed in their political contexts. A nuclear-armed, democratic, market-oriented Soviet Union with a foreign policy committed to international peace and international law and a defense policy strictly limited to defense is different from a nuclear-armed, nondemocratic, command economy Soviet Union with a foreign policy committed to hegemonic domination and a defense policy oriented toward nuclear preemption. The United States worries little about a French or British nuclear arsenal of several hundred warheads; an Iraqi or Libyan nuclear arsenal of several hundred warheads is another matter entirely.

Finally, Sagan and Turco's apolitical, atheoretical approach, and their fixation on the physical effects of nuclear weapons, causes them to ignore the most significant issue facing nuclear strategists and policymakers: how to improve international security in the post–cold war environment. Sagan and Turco appear to believe that quantifying the precise effects of nuclear explosions is more important than considering Europe's security architecture, German unification, nuclear proliferation (especially in the Middle East), chemical weapons, the security of command and control, the possibility of nuclear accidents, changing Soviet military doctrine, low-intensity conflict, the emergence of new geopolitical powers, the future of the Strategic Defense Initiative, drugs, pollution, population, the restructuring of NATO, the collapse of the Warsaw Pact, the possible Balkanization of the Soviet Union, and the effects of the INF and START treaties.[64] Sagan and Turco's analysis, completed in the summer of 1990, seems almost to exist in a time warp.

The Pragmatic Center

It is clear from the debate over the nuclear winter thesis that numerous hawks and doves have failed to come to terms with the nuclear revolu-

Simon and Schuster, 1990), 14: "For the broad purposes of this work on strategy, it really does not matter who is up or down in Moscow on the date of publication."

[64] Prominent literature on the emerging security environment includes Gary L. Guertner, *Deterrence and Defense in a Post-Nuclear World* (New York: St. Martin's Press, 1990); James L. George, *The New Nuclear Rules: Strategy and Arms Control after INF and START* (New York: St. Martin's Press, 1990); Gary L. Guertner, "Strategic Arms after Reagan: The Unfinished Agenda," *SAIS Review* 10 (Winter–Spring 1990), 87–100; Mackubin Thomas Owens, "Force Planning in an Era of Uncertainty," *Strategic Review* 18 (Spring 1990), 9–22; Thomas H. Etzold, "The Strategic Environment of the Twenty-first Century: Alternative Futures of Strategic Planners," *Strategic Review* 18 (Spring 1990), 23–31; and Fred Charles Ikle and Albert Wohlstetter, *Discriminate Deterrence: Report of the Commission on Integrated Long-Term Strategy* (Washington, D.C.: U.S. Department of Defense, 1988).

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tion. Certain hawks exhibit excessive zeal for nuclear war-fighting doctrines; certain doves seemingly fail to realize that nuclear weapons are not going to go away.

A third group of strategic analysts, however, has demonstrated a more sophisticated understanding of nuclear weapons and nuclear winter. What Kosta Tsipis calls "the pragmatic center" rejects both the anti-Sovietism of the Right and the utopianism of the Left. The pragmatic Center believes that since conflict between the United States and the Soviet Union cannot ever be fully resolved in an anarchic international environment, statesmen should seek international stability and predictability.[65] Those called "owls" by Graham Allison, Albert Carnesale, and Joseph Nye emphasize enhancing crisis stability, reducing the impact of accidents, developing procedures for war termination, preventing and managing crises, invigorating nonproliferation efforts, and limiting perceptions.[66]

Several strategists of the pragmatic Center analyzed the nuclear winter thesis. Nye argued that nuclear winter should stimulate additional concern about command and control capabilities, since the consequences of accidents would be greater than previously anticipated. He also urged an improvement in NATO's conventional defense capabilities, as well as serious consideration of a "no cities" targeting doctrine. Finally, he claimed that nuclear winter lessens the case for offensive force reductions, since "the benefits of restricting the strategic arsenals to low levels might be partly illusory if it is true that 100 megatons on each side targeted against cities might bring on nuclear winter."[67]

Several scholars at the Airpower Research Institute at Maxwell Air Force Base conducted a similarly impressive analysis of the effect of the nuclear winter thesis upon nuclear strategy. These analysts examined the implications of four scenarios: a low-level nuclear winter threshold, a mid-level threshold, a high threshold, and a threshold that is forever uncertain.[68] The Air Force scholars noted that the significance of the

[65] Tsipis, "The Uncommon Ground of Security Debate," *Bulletin of the Atomic Scientists* 43 (July–August 1987), 10–11.

[66] Nye, Allison, and Carnesale, "Analytical Conclusions: Hawks, Doves, and Owls," in Allison, Carnesale, and Nye, eds., *Hawks, Doves and Owls: An Agenda for Avoiding Nuclear War* (New York: W. W. Norton, 1985), 230–42.

[67] Nye, *Nuclear Ethics* (New York: Free Press, 1986), 108–13. See also idem, "Nuclear Winter and Policy Choices," *Survival* 28 (March–April 1986), 119–27.

[68] Dennis M. Drew, *Nuclear Winter and National Security: Implications for Future Policy*, Airpower Research Institute, Maxwell Air Force Base, Alabama, Report no. AU-ARI-CP-86-1, July 1986. Desmond Ball argued that the "uncertainty" scenario was the most likely outcome; see Ball, "Toward a Critique of Strategic Nuclear Targeting," in Desmond Ball and Jeffrey Richelsen, eds., *Strategic Nuclear Targeting* (Ithaca, N.Y.: Cornell University Press, 1986), 32.

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nuclear winter thesis varies in inverse relation to the threshold level and that the outcome of the uncertainty scenario depends on the strategic beliefs of decision makers.

Another interesting analysis was undertaken by Allen Lynch of the Institute for East-West Security Studies. Like the doves, Lynch argues, in *Political and Military Implications of the "Nuclear Winter" Theory*, that nuclear winter "reinforces the basic truth of the nuclear age: that nuclear weapons have no useful military function except to deter others from using theirs" (p. 10). Lynch also argues, with the doves, that nuclear winter "highlights the incredibility of an American nuclear guarantee to Western Europe" (p. 18).

Much of Lynch's analysis, though, defies categorization as "hawkish" or "dovish." In the area of targeting, he advocates a doctrine "that eschews both 'counterforce' and 'countervalue' strategies, one in which the non-nuclear armed forces of the opposing side become the only legitimate target of military forces, nuclear or otherwise" (p. 38). A "countercombant doctrine"[69] could be accomplished through "de-MIRVing" (reducing the ratio of warheads to missiles), "the measured introduction of strategic defensive systems to protect strategic bases," and a doctrine of no first use. These measures, he argues, would improve strategic stability by protecting the invulnerability of strategic nuclear forces.

Writing before the end of the cold war, Lynch also put forth an extremely interesting analysis of the impact of the nuclear winter thesis upon the geopolitics of Europe. He speculated that nuclear winter might bring about a radical denuclearization of Europe, which might restore Eastern Europe's role as a buffer zone for the Soviet Union and cause the Soviet Union to tighten its grip over the area (p. 35). Furthermore, the denuclearization of Europe would probably harm the American position in Western Europe, as NATO members could come to doubt the credibility of an American first use pledge that might inflict nuclear winter (p. 34).

The nuclear winter analysis of the pragmatic Center is more subtle, unpredictable, and reasoned than much of the ideological analysis of the Left and the Right. "Owlish" analysis avoids the traps of viewing nuclear weapons either as similar to conventional weapons or as weapons subject to banishment. The owlish analysis examined here also avoids the tendency of some hawks and doves to treat issues related to nuclear weapons in an apolitical manner.

[69] Lynch cites Earl Ravenal, *Strategic Disengagement and World Peace* (San Francisco: CATO Institute, 1979), 33–39.

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Conclusion

The prediction of some that the nuclear winter thesis would revolutionize strategic theory and policy has not been realized.[70] The best explanation for this outcome is the fact that hawks and doves have vastly different views on nuclear strategy and, like all individuals, they seek to maintain cognitive and ideological consistency.

Robert Jervis explains that "the process of drawing inferences in light of logic and past experience that produces rational cognitive consistency also causes people to fit incoming information into pre-existing beliefs and to perceive what they expect to be there." The familiar process of constructing cognitive maps causes people to "ignore information that does not fit" and/or to "twist it so that it confirms" existing beliefs. Jervis notes that "confirming evidence, by contrast, is quickly and accurately noted."[71] Steven Kull notes that if emotions do not conform to reality assessment, individuals typically resolve the conflict by "(1) *suppressing* or ignoring conditions that suggest their emotionally gratifying behavior is not appropriate, or (2) developing complex *rationalizations* that explain how their emotionally gratifying behavior is objectively appropriate."[72] Jervis observes that since "deterrence posits a psychological relationship," it is "strange that most analyses of it have ignored decision makers' emotions, perceptions, and calculations."[73]

Hawks and doves are deeply divided in their emotions, perceptions, and calculations. They differ on a wide range of issues: whether a posture of assured destruction is adequate to deter the Soviet Union; whether the relative strategic balance has military or political significance; whether limited nuclear options make nuclear war more or less likely; whether a nuclear war could be controlled; whether Soviet strategic doctrine is oriented toward preemption; whether military technology is a cause of or a solution to the problems of the nuclear era; and whether strategic force modernization, low-yield weapons, and ballistic

[70] Indeed, several recent, notable books on nuclear strategy and defense policy fail to address the issue of nuclear winter at all. See Robert Jervis, *The Meaning of the Nuclear Revolution: Statecraft and the Prospect of Armageddon* (Ithaca, N.Y.: Cornell University Press, 1989); Joseph S. Kruzel, ed., *American Defense Annual, 1989–1990* (Lexington, Mass.: D. C. Heath, 1989); Janne E. Nolan, *Guardians of the Arsenal: The Politics of Nuclear Strategy* (New York: Basic Books, 1989); Scott D. Sagan, *Moving Targets: Nuclear Strategy and National Security* (Princeton: Princeton University Press, 1989); and Caspar W. Weinberger, *Fighting for Peace: Seven Critical Years in the Pentagon* (New York: Warner Books, 1990).

[71] Jervis, *Perception and Misperception in International Politics* (Princeton: Princeton University Press, 1976), 143.

[72] Kull (fn. 21), 304; emphasis in original.

[73] Jervis, "Introduction: Approach and Assumptions," in Robert Jervis, Richard Ned Lebow, and Janice Gross Stein, eds., *Psychology and Deterrence* (Baltimore, Md.: Johns Hopkins University Press, 1985), 1; emphasis in original.

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missile defense would contribute to strategic stability. The fundamental question dividing hawks and doves is whether nuclear weapons have revolutionized military strategy and world politics. Hawks believe that nuclear weapons have not eliminated the need to think about the unthinkable and that following dovish policy advice would result in strategic inflexibility and meaningful Soviet strategic superiority. Doves contend that hawks are guilty of "conventionalizing" nuclear weapons, which could make nuclear war more likely.

The debate over the nuclear winter thesis has reflected these ideological differences. Hawks have argued for limited nuclear options, strategic modernization, environmentally sensitive weapons, and strategic defense because of their core belief that relying on a policy of assured destruction in the event deterrence fails is inflexible and incredible. Doves have argued for policies of mutual assured destruction, arms control, and/or global disarmament because of their core belief that nuclear war is unimaginable and inherently uncontrollable.

Perhaps the debate over the nuclear winter thesis is not surprising, given the nature of nuclear strategy. Colin Gray observes that there is no "scientific method" to nuclear strategy,[74] that there is a strategic consensus on only the most general of assumptions,[75] and that no one "really knows" the role that nuclear weapons would play in war.[76]

Given that no one "really knows" and that nuclear strategy is largely theological, nonfalsifiable, and data-free, both hawks and doves would be well advised to question their own preexisting beliefs and policy preferences. Cognitive maps can be useful guides to a bewildering world, but they can also get you lost.

[74] Gray (fn. 63), 93.

[75] Gray notes four assumptions that "make up the bedrock of what must pass for a body of knowledge": the prenuclear world is beyond retrieval; nuclear weapons must be fitted into national or coalition military strategy; investments in command and control improvements are worthwhile; and "the nuclear arsenals of the superpowers cannot be regarded as instruments of military decision"; Gray (fn. 63), 311–13.

[76] Ibid., 315.

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CRISIS AND DEMOCRACY IN LATIN AMERICA

By PETER H. SMITH

Khosrow Fatemi, ed. *U.S.-Mexican Economic Relations: Prospects and Problems*. New York: Praeger, 1988, 210 pp.
Abraham F. Lowenthal. *Partners in Conflict: The United States and Latin America*. Baltimore, Md.: Johns Hopkins University Press, 1987, 240 pp.
Lars Schoultz. *National Security and United States Policy toward Latin America*. Princeton: Princeton University Press, 1987, 365 pp.
Barbara Stallings and Robert Kaufman, eds. *Debt and Democracy in Latin America*. Boulder, Colo.: Westview Press, 1989, 232 pp.
Joseph Tulchin. *Argentina and the United States: A Conflicted Relationship*. Boston: Twayne Publishers, 1990, 172 pp.
Robert Wesson, ed. *Coping with the Latin American Debt*. New York: Praeger, 1988, 205 pp.

LATIN America defies the academic imagination. Countries of the region have been turning toward political democracy under the most improbable economic conditions. Not only do nations of Latin America seem to have survived the "debt crisis" of the 1980s, but from Brazil to Mexico and even Argentina they have begun to implement structural reforms, abandoning outdated forms of populism and entering a would-be era of export-led efficiency. As scholars were expressing skepticism about the meaning of elections,[1] citizens were giving credence and currency to the electoral process. Contradicting the notion that authoritarian rulers do not give up power voluntarily, General Pinochet in Chile and Daniel Ortega in Nicaragua were leaving office out of reluctant but obsequious respect for voter preferences. Leaders throughout the region have in the meantime moved toward a more amicable relationship with the United States and, at least in Washington's eyes, adopted a more "mature" and responsible posture toward the world community. Analysts have struggled to keep pace with all these changes. Events are moving faster than ideas.

What can explain these developments? It is the purpose of this essay

[1] Edward S. Herman and Frank Brodhead, *Demonstration Elections: U.S.-Staged Elections in the Dominican Republic, Vietnam, and El Salvador* (Boston: South End Press, 1984); and Terry Karl, "Imposing Consent? Electoralism vs. Democratization in El Salvador," in Paul W. Drake and Eduardo Silva, eds., *Elections and Democratization in Latin America, 1980–85* (La Jolla, Calif.: Center for Iberian and Latin American Studies/Center for U.S.-Mexican Studies, 1986), 9–36.

World Politics 43 (July 1991), 608–34

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to explore three central questions. First, what accounts for the recent process of democratization in Latin America? How can this have occurred during an era of economic crisis? Second, what has been the impact of international factors? And of the role of the United States? And third, what are the long-term prospects for democracy in Latin America? Will these polities be prepared to meet the challenges of the 1990s and beyond?

From this perspective any sample of recent books on U.S.–Latin American relations—including the selection under review—is bound to exhibit an archaic quality. Three of the volumes covered in this essay result from conferences held in 1987, a date that now seems far away and long ago. Providing commentary rather than original research, many contributors to these symposia seem to have been hurrying to keep up with ever-changing developments. On the whole, their efforts meet with indifferent success, a result that might appear to emphasize the growing insignificance of academic writing. Such an inference would be mistaken for at least two reasons, however. First, the decade of the 1980s was a crucial era of transition. It was a time when the political and economic systems of Latin America endured wrenching change, when leaders of almost all persuasions jettisoned formulas of the past and chose to search for a new future. Processes established during the 1980s will guide prospects for change throughout the 1990s and beyond. To comprehend the 1990s, then, we need to understand the 1980s.

Second, like the rumor of Mark Twain's demise, the conventional wisdom about Latin America is greatly exaggerated. Economic prospects are modest at best, even for the most promising of countries; they have been dealing not only with a debt crisis but also with a fundamental development crisis, and the path to recovery is not at all clear. Political transitions have been partial and limited. Social consensus is fragile and uncertain. Nations of Latin America continue to face profound and durable obstacles to development. A careful reading of these books provides a sobering perspective on the outlook for continuing change and growth throughout the region. The problems of the 1980s could endure into the next century.

But the most remarkable feature of the books under review, and of other recent publications in the Latin American field, is the absence of grand theory. This is an area that had for decades encouraged the application and generation of ambitious conceptual frameworks, from modernization theory in the 1950s and 1960s to *dependencia* theory in the 1960s and 1970s. By the mid-1980s both of these grand theories had gone out of fashion, and scholars came to display conspicuous caution. Apart

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from modest attempts to test occasional hypotheses and propositions, there is not much theoretical content in the current literature.

This tendency could be a healthy sign, a recognition that events do not fit into preconceived frameworks. Certainly it gives the writings of the 1980s a tone of humility (as well as intermittent blandness). Yet this theoretical paucity also reflects a basic reality: we simply do not know what to think of Latin America—of its recent sociopolitical evolution or its evolving place in the international arena. What are the underpinnings of democracy in Latin America?

Models of Political Change

Putative explanations abound. Imbued with the optimistic hubris of the 1960s, students of Latin American politics, especially those from the United States, found ready and congenial answers in what had come to be known as modernization theory. As applied to Latin America by John J. Johnson and others, the argument posited simple causal connections. Economic development creates middle-class sectors that in turn espouse political democracy, either as a tactical means of gaining power or as an expression of enlightened values (the difference did not seem to matter at the time). The greater the level of economic development, the greater the likelihood of democratic politics. Indeed, the paradigm, possessed of internal coherence and logical structure, amounted to a full-blown theory of modernization. Moreover, it appeared to find empirical support in the cross-national analyses of Seymour Martin Lipset and Phillips Cutright, it carried implications for U.S. policy and foreign aid, and it offered bright hopes for the future.[2] It seemed to be too good to be true.

So it proved to be. Instead of dispensing prosperity, economic development (such as it was) accentuated the concentration of wealth and exacerbated existing inequalities. The middle strata, relatively privileged, forged little if any sense of class consciousness and, in critical moments of decision, joined with ruling classes in opposition to the popular masses. Political outcomes took a decidedly authoritarian turn, as shown by the lamentable experiences of Brazil (1964), Argentina (1966), and

[2] John J. Johnson, *Political Change in Latin America: The Emergence of the Middle Sectors* (Stanford, Calif.: Stanford University Press, 1958); Seymour Martin Lipset, *Political Man: The Social Bases of Politics* (Garden City, N.Y.: Doubleday, 1963), 27–63; Phillips Cutright, "National Political Development: Measurement and Analysis," *American Sociological Review* 28 (1963), 253–64. There were many variants on modernization theory, of course, and it is to be noted that Samuel P. Huntington placed as much emphasis on political institutionalization as on socioeconomic development; see Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968).

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Chile (1973). And in stark contradiction to modernization theory, these patterns emerged in the most developed—and most rapidly developing—countries of the continent. What could have gone wrong?

Two sets of answers came forth. One focused on the cultural traditions of Latin America and argued, in effect, that antidemocratic politics was (and remains) entirely consistent with a Catholic and Mediterranean world view that stresses the need for harmony, order, and the elimination of conflict. By failing to grasp these continuities, scholars had confused form with substance and rhetoric with reality. Latin America's constitutions were never as democratic as they appeared; party politics was not as representative as it might have looked. There had been no downfall of democracy because there had been no upsurge in the first place.[3] The academic community, afflicted by its own myopia and biases, had simply misread the social facts.

Second was the *dependencia* approach, which accepted modernization theory's linkage of socioeconomic causes with political outcomes but turned the answer upside down: since Latin America's economic development was qualitatively different from that of North America and Western Europe, it produced different results. Specifically, according to this argument, Latin America's experience was determined by the pervasive fact of its economic "dependency." An inherent characteristic of dependent development is its tendency to intensify inequities, allocating benefits to sectors involved in the world market and denying them to marginal groups. As Guillermo O'Donnell asserted in the early 1970s, ruling elites eventually come to face a clear-cut choice: sacrifice growth or pursue it by repressing the working classes (thus reducing wages, controlling inflation, and attracting international investment). The preference, almost invariably, is for the latter course, even if it means violent assaults upon already-organized working-class groups. Thus occurred the vicious coups and repressive regimes in Brazil, Argentina, and Chile. They did not emerge in spite of Latin America's economic development; they emerged because of it.[4]

By the late 1970s the social-science community had formulated a series of explanations for the turn toward authoritarianism in Latin America. Two well-known anthologies neatly capture then-prevalent concerns.

[3] See Glen Dealy, "Prolegomena on the Spanish American Political Tradition," *Hispanic American Historical Review* 48 (February 1968), 37–58; Howard J. Wiarda, "Toward a Framework for the Study of Political Change in the Iberic-Latin Tradition: The Corporative Model," *World Politics* 25 (January 1973), 206–35; and Wiarda, ed., *Politics and Social Change in Latin America: The Distinct Tradition* (Amherst: University of Massachusetts Press, 1974).

[4] Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism: Studies in South American Politics* (Berkeley: Institute of International Studies, University of California, 1973).

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One focused on the breakdown of democracy; another dealt with the rise of the "new" authoritarianism.[5] Democratization in the 1980s took the field by surprise.

In Search of Economic Determinants

Economic conditions have hardly offered propitious circumstances for the emergence of democracy. Over the last decade Latin America has faced a two-part crisis. One stems from the exhaustion of the strategy of import-substitution industrialization (ISI). Ever since the depression, and especially after World War II, major countries of the region sought to promote economic growth by stimulating domestic demand and protecting local industry. This strategy required an active, interventionist state and often found ideological justification in populism and/or nationalism. In many ways ISI achieved considerable success, especially in the 1950s and 1960s. Average annual rates of GDP growth for the region climbed steadily from just under 5 percent in the late 1940s to more than 6.5 percent for the early 1970s. From 1965 to 1980 Mexico enjoyed an annual average growth rate of 6.5 percent, Brazil had 9.0 percent, Argentina had 3.5 percent, and even Peru—today's quintessential basket case—stood at 3.9 percent. But by the late 1970s and the 1980s ISI could no longer provide keys to growth: domestic markets were saturated, industries were inefficient, budgets were awash in deficit.[6]

Enter the debt crisis. Eager to recycle petrodollars, major banks found willing borrowers in Latin America. Between 1970 and 1980 the region increased its external debt from $27 billion to $231 billion, with debt-service payments of $18 billion. Complications ensued: real interest rates rose, commodity prices declined, capital dried up.[7] Caught in this squeeze, Latin America experienced increasing difficulty in meeting obligations on the debt. In August 1982 Mexico proclaimed its inability to pay. Since then the region has been in the grips of a debt crisis that has, in turn, greatly exacerbated and intensified the long-term development crisis.

While public officials now express considerable optimism about long-

[5] Juan J. Linz and Alfred Stepan, eds., *The Breakdown of Democratic Regimes* (Baltimore, Md.: Johns Hopkins University Press, 1979); David Collier, ed., *The New Authoritarianism in Latin America* (Princeton: Princeton University Press, 1979).

[6] James W. Wilkie and Enrique Ochoa, eds., *Statistical Abstract of Latin America*, vol. 27 (Los Angeles: UCLA Latin American Center, 1989), 939, fig. 33.2; and World Bank, *World Development Report 1989* (New York: Oxford University Press, 1989), 166–67, table 2.

[7] See Pedro-Pablo Kuczynski, *Latin American Debt* (Baltimore, Md.: Johns Hopkins University Press, 1988).

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run prospects for Latin America's economic development, scholarly reflection exudes caution and concern. Robert Wesson's *Coping with the Latin American Debt*, a collection of papers from a conference in late 1987, offers compelling testimony to the unresponsiveness and unworkability of the successive debt programs, plans, policies, and postponements of the 1980s. It also provides vivid examples of the polarization and frustration that came to characterize both sides of the negotiating table. Listen, for example, to Carlos E. Melgar, Peruvian senator: "Poverty and backwardness are, to a great extent, the result of the exploitation and spoliation to which they have been subjected by developed countries, and which today finds in the foreign debt its most sophisticated and inhuman expression" (p. 151). And to Charles J. L. T. Kovacs, American banker, who contended that "it is not too much of an exaggeration to suggest that without capital flight, we would not have a serious debt problem today" (p. 42).

On balance, the contributions convincingly demonstrate that the muddling-through strategies of the 1980s, including the much-touted Baker Plan, served the interests of creditors rather than of borrowers. "By 1987 the strategy was fairly well exhausted," Wesson writes. But because all parties have an interest in keeping the negotiations going, they "will doubtless continue their minuet of negotiations, conditions, and accords to keep up appearances without doing anything more than turning in circles" (pp. 186, 188). And so indeed they have, up to and through the so-called Brady Plan.

We can now assess the results. Latin America's total external debt climbed from $231 billion in 1980 to approximately $417.5 billion in 1990. External debt as a proportion of exports increased from 209.8 percent to 272.4 percent. Debt service accounted for 34 percent of exports in 1980 and 42 percent in 1990—after a decade of export promotion. From 1982 through the end of the decade Latin America transferred over $200 billion to industrialized nations, equivalent in constant dollars to several times the Marshall Plan.[8] Real GDP per capita declined in 1981, 1982, 1983, 1988, and 1989—and showed a cumulative decline of 5–10 percent over the course of the decade.[9] This can hardly qualify as progress.

[8] International Monetary Fund, *World Economic Outlook, October 1989* (Washington, D.C.: International Monetary Fund, 1989); and Inter-American Dialogue, *The Americas in 1989: Consensus for Action* (Washington, D.C.: Aspen Institute, 1989), esp. 3–4.

[9] Figures vary slightly by source. See Wilkie and Ochoa (fn. 6), 991, table 3363; Comisión Económica para América Latina (CEPAL), *Notas sobre la economía y el desarrollo, 485–86, Balance preliminar de la economía de América Latina y el Caribe, 1989* (December 1989), cuadro 3; and Inter-American Development Bank, *Economic and Social Progress in Latin America, 1989 Report* (Washington, D.C.: Inter-American Development Bank, 1989), 463, Table B-1.

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In this saga, of course, Mexico holds a special place. It was Mexico that unleashed the debt crisis in August 1982, when Finance Minister Jesús Silva Herzog made his famous trip to Washington, and it is Mexico that has become the first major debtor to meet the provisions of the Brady Plan. Resulting from a conference at Laredo State University in mid-1987, the essays in the volume edited by Khosrow Fatemi explore the complexity and variety of U.S.-Mexican economic relations as they pertain to trade, investment, immigration, oil, debt, and border matters. Other than its topical exploration of the process of "invisible integration" between the two economies, the collection lacks explicit conceptual unity. The contributions imply, however, that Mexico and the U.S. are so closely interconnected that no single issue, not even the debt, could lead to a rupture or even a serious downturn in deeply embedded patterns of interdependence.

On the whole, *U.S.-Mexican Economic Relations* presents an optimistic assessment of its subject. According to Robert Looney, a reasonable package of reforms together with productive use of new capital in Mexico "should enable the country to achieve a long-run solution to its debt problems, while at the same time assuring a sustainable flow of external capital" (p. 33). Other contributors maintain that migration will continue, to the benefit of both countries, that *maquiladoras* (in-bond assembly operations) will expand, especially in the interior of Mexico, and that technology transfer will accelerate, to and through Mexican as well as foreign-owned firms.

As the case of Mexico demonstrates, even under Carlos Salinas de Gortari, there are serious problems ahead. Perhaps the most critical challenge will be to identify a sustainable niche within the evolving international economy. Mexico might be able to carve out a special position as an export platform to the American market, especially through the potential realization of a free-trade agreement with the U.S. (the possibility of which is nowhere mentioned in this volume).[10] Despite the vision of a free-trade zone for the entire Western Hemisphere, proclaimed in mid-1990 by President George Bush, the rest of Latin America might not have such sanguine options. What role might there be in the wake of the Asian NIEs?[11] What if venture capital heads for Eastern Europe instead of Latin America?

[10] For comparison, see William Glade and Cassio Luiselli, eds., *The Economics of Interdependence: Mexico and the United States*, vol. 2 of Rosario Green and Peter H. Smith, eds., *Dimensions of United States-Mexican Relations*, 5 vols. (La Jolla: Center for U.S.-Mexican Studies, University of California, San Diego, 1989).

[11] See Robin Broad and John Cavanagh, "No More NICs," *Foreign Policy* 72 (Fall 1988), 81–103.

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A second basic challenge concerns social justice. The debt-coping strategies of the 1980s have inflicted painful sacrifice upon the people of Latin America, especially the working classes. Unemployment and underemployment are at record levels. Real wages have declined precipitously—by as much as 50 percent in some countries. This is a reality that policymakers in Washington and elsewhere would prefer to ignore. But as Riordan Roett wrote in 1987 of policy options on the Brazilian debt: "The choice seems to be between order or ethics" (Wesson, 81). The Brady Plan notwithstanding, policymakers still face that same choice, with reference to almost all of Latin America.[12]

If economic conditions are staying so bad, why are political conditions getting so good? In the late 1970s, it is often said, approximately 90 percent of the people of Latin America lived and labored under authoritarian regimes; by the mid-1980s nearly 90 percent enjoyed some sort of democracy, and by 1990 the figure was higher than that. The transitions took distinctly different forms, from the embarrassed retreat of the Argentine generals to the orchestrated exit of their Brazilian comrades to the electoral upheavals in Chile and Nicaragua. How could democratization take place amid such economic circumstances?

One possibility is that the debt-cum-development crisis presented authoritarian rulers with an unsolvable problem that hastened their exit from office. Military leaders, in particular, had seized power with the avowed intention of asserting law and order, extirpating subversives, and restoring economic growth. They managed to impose order but they flouted law, disappeared opponents, and achieved mixed results in economics. The Brazilian generals oversaw a period of phenomenal growth in the late 1960s and early 1970s; the Pinochet regime appears to have brought about a significant degree of restructuring. But even these accomplishments entailed excessive human costs for the citizenry and high political costs for the regimes. In the end, it could be said, the severity of Latin America's economic predicament determined and accelerated the demise of authoritarian regimes—and thus paved the way for democracy.

Economic explanations for the *consolidation* of the new democracies have taken alternative forms. Perhaps most surprising has been a reassertion of modernization theory, or what might be called neo-modernization theory. "According to a large body of comparative research on democracy," Mitchell Seligson has written,

[12] One thoughtful effort to confront this problem appears in Economic Commission for Latin America and the Caribbean (ECLAC), *Changing Production Patterns with Social Equity* (Santiago de Chile: United Nations, Economic Commission for Latin America and the Caribbean, 1990).

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> until relatively recently the minimum levels of socioeconomic development that are necessary to sustain democratic rule simply were not present in most of Latin America. Several studies have led to the near-universal conclusion that underdevelopment and stable democracy do not mix. There appears to be a lower threshold of economic and sociocultural development beneath which stable democratic rule is unlikely to emerge. The income threshold appears to be around $250 per capita in 1957 dollars, and the sociocultural threshold, usually defined by educational achievement, seems to be the reduction of illiteracy to below 50 percent.

By the 1980s, he continues, "the socioeconomic foundations for stable democracy had finally been established" in Latin America. This does not "lead to the conclusion that democratic rule is somehow inevitable among these nations. . . . [S]ocioeconomic development is only a necessary, not both a necessary *and* sufficient condition for the development and maintenance of stable democracy."[13]

Like classical modernization theory, this argument suffers from the unfortunate failure to distinguish between (1) the demise of authoritarianism, (2) the transition toward democracy, and (3) the consolidation of democracy itself. Levels of socioeconomic development are likely to be most relevant for successful consolidation (3) and least relevant to the transitional process (2). Nonetheless, this line of reasoning tacitly offers retroactive vindication for modernization theory. Its premises were accurate, its application premature. It did not suit the 1960s, but it fits the 1980s.

A contrasting position holds that Latin America's economic crisis will exert a critical impact on the consolidation (or not) of democracy. Indeed, some argue that the region's fragile democracies are especially susceptible to pressures and problems deriving from the foreign debt—and, more broadly, from the contemporary crisis of economic development. Democracy cannot sustain the debt; the debt cannot sustain democracy. Such reasoning stresses the idea that democracy depends on popular support, that austerity programs antagonize the masses, and that alienated masses might withdraw support from the democratic regime. This could lead to popular uprisings and/or military interventions. Yet there are alternative outcomes:

> 1. The armed forces, not widely renowned for the success of their economic policy, might be extremely reluctant to assume responsibility for management of the debt.
> 2. Democratic leaders, in search of popular support, might seek to rally

[13] Seligson, "Democratization in Latin America: The Current Cycle," in James M. Malloy and Mitchell A. Seligson, eds., *Authoritarians and Democrats: Regime Transition in Latin America* (Pittsburgh, Pa.: University of Pittsburgh Press, 1987), 7–9.

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nationalist sentiment by condemning the role of foreign banks and international agencies (as Alan García attempted in Peru).

3. Disaffected masses may not necessarily create a crisis for the system. Rather, they might just vote out the party in power.

It is worth noting, in fact, that major elections in 1989 and 1990 led to widespread triumph of opposition movements in Argentina, Brazil, Chile, Peru, and Uruguay. Even official results from the Mexican presidential elections of 1988 showed a precipitous reduction in the ruling party's popular base.

In the short term the debt burden does not automatically create a structural crisis for the new democracies. In the medium run, perhaps, a democratic system might be better equipped than an authoritarian regime to respond to popular dissatisfaction. And in the long run the sociopolitical costs of continuing debt service could undermine the legitimacy of *any* kind of system, democratic or authoritarian.

We might therefore expect to see two broad patterns of political behavior in the 1990s and beyond. First, with the Latin democracies, there might be a fairly constant rotation of parties in power, as opposition parties succeed in tarnishing ruling parties with the social costs of the debt. Such enfranchisement of the opposition and alternation in power could actually assist the consolidation of democratic regimes. The economic crisis might foster tolerance and accommodation while imbuing political rivals with a shared sense of national purpose. In some cases the Latin American debt crisis may thus actually strengthen democratic processes and systems.

In the longer term we might witness a fairly volatile alternation of authoritarian and democratic regimes, as neither will be able to "solve" the debt problem or the economic crisis. Such a pattern would reaffirm the historically cyclical pattern of political change in Latin America, from authoritarianism to democracy and back again, but perhaps with some added twists. Because of economic crisis and low system legitimacy, the cycles might well become shorter—that is, the changes more rapid—and because of socioeconomic mobilization, popular participation might become greater. This could enhance demands for democratization. It could also lead to greater violence.

The Turn toward Political Explanations

In the effort to account for democratization, many analysts have turned away from economic (or economistic) arguments in favor of political fac-

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tors. In one broad and ambitious analysis, Guillermo O'Donnell and Philippe Schmitter focus not on structure but on statecraft. Drawing especially on the experiences of Argentina and Brazil, they assert that political entrepreneurship acquires a key role in the transitional process. As "the question of democracy" returns to the national agenda, elites initiate transitions. Intramilitary resistance to hard-liners leads soft-liners to search for allies among moderate elements of the civilian elite. Thus begins a complicated minuet of political maneuvering, where both sides risk "coup poker" and attempt to increase their political space. Popular mobilization does not precipitate this process but eventually becomes an important element within it, as intellectuals and artists provoke "the resurrection of civil society" that itself constitutes a new power resource. Elections and the return of party politics conclude the process of transition; the greater the representation for the forces of authoritarianism, the more likely the prospects for successful consolidation. Transitions thus occur as a result of ideological aspiration and political leadership, not because of economic contradictions. (Since political and social processes "are neither symmetric nor reversible," they explain, the causes of a democratic breakdown may not necessarily be the same as the reasons for a transition from authoritarianism.)[14]

O'Donnell and Schmitter emphasize bargaining, negotiation, and compromise. Utilizing the metaphor of a multilayered chess game, they stipulate that two moves are forbidden. First, it is illegal to take, or even checkmate, the king of one of the players: "In other words, during the transition, the property rights of the bourgeoisie are inviolable." Second, it is illegal to take or even circumscribe the queen: "In other words, to the extent that the armed forces serve as a prime protector of the rights and privileges covered by the first restriction, their institutional existence, assets, and hierarchy cannot be eliminated or seriously threatened."[15] These are serious restrictions. In view of the horrific experience of the bureaucratic-authoritarian regimes, however, the restoration of civil liberties is for O'Donnell and Schmitter well worth its high price.

One conspicuous feature of this literature is its preoccupation with the dynamics of the transition itself, as distinct from the breakdown of authoritarianism or the consolidation of democracy. This choice has something of a self-fulfilling quality, since political entrepreneurship is more

[14] O'Donnell and Schmitter, "Tentative Conclusions about Uncertain Democracies," in O'Donnell, Schmitter, and Laurence Whitehead, eds., *Transitions from Authoritarian Rule: Prospects for Democracy* (Baltimore, Md.: Johns Hopkins University Press, 1986), pt. IV, p. 18. See also O'Donnell, "Tensions in the Bureaucratic-Authoritarian State and the Question of Democracy," in Collier (fn. 5), 285–318.

[15] O'Donnell and Schmitter (fn. 14), pt. IV, p. 69.

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likely to play a determinative role during the transition than during the other phases.[16] But as Alfred Stepan points out, the focus derives its justification from the premise that "the actual route" of democratization can exert "independent weight" on the shape of the final outcome. The path of democratization can affect the eventual role of the military, the scope of permissible opposition, and the composition of the ruling coalition. In other words, the transition itself constitutes an independent variable in the determination of the ensuing democratic system.[17]

This train of reasoning has produced a number of provocative hypotheses. My own distillation of contemporary literature yields a range of examples:

H_1. The harsher the authoritarian regime, the greater the degree of subsequent democracy.

H_2. The greater the authoritarian repression, the greater the discontinuity between pre- and postauthoritarian democracies.[18]

H_3. The longer an authoritarian regime remains in power, the greater the transformation of the preauthoritarian civilian political system.

H_4. The more sudden and unexpected the transition from authoritarianism, the greater the likelihood of a popular upsurge—and of its impact on the subsequent democracy, where it would be likely to support prodemocracy purists instead of moderate forces.

H_5. The more controlled the transition from authoritarianism, the easier the installation and consolidation of democracy.

H_6. The more total and sudden the collapse of the authoritarian regime, the more likely the appearance of a full and open democracy—subject to severe authoritarian reversals (either because of the absence of intraelite "pacts" for moderation or because of unrealistic expectations for the new democracy).

H_7. The more unsuccessful the authoritarian episode, the less the resistance to democracy—and the less likely a subsequent reversal.

H_8. The more radical the economic policies of the authoritarian regime, the greater the reluctance to initiate or accept a process of transition.

In a similar vein, Enrique Baloyra has called for "a predominantly political explanation" of transitions toward democracy ("Nothing else will do"). Focusing upon what he calls the "endgame," the final and decisive confrontation between reformers and obstructionists, Baloyra stresses the long-term significance of transition itself:

[16] On this and related points, see Daniel H. Levine, "Paradigm Lost: Dependence to Democracy," *World Politics* 40 (April 1988), 377–94.

[17] Stepan, "Paths toward Redemocratization: Theoretical and Comparative Considerations," in O'Donnell, Schmitter, and Whitehead (fn. 14), pt. III, p. 65.

[18] On the survival of political parties, see Marcelo Cavarozzi and Manuel Antonio Garretón, eds., *Muerte y resurrección: los partidos políticos en el autoritarismo y las transiciones del Cono Sur* (Santiago de Chile: Facultad Latinoamericana de Ciencias Sociales, 1989).

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> The exercise will force us to revise some currently held beliefs about the inadequacy of democracy for the politics of late, dependent capitalism. If a logic of transition could prevail under such adverse circumstance, there is reason to believe that these weak inaugurations could be consolidated if the lessons of transitions were assimilated. . . .
>
> In essence, a decision to move away from a regime of exception in a capitalist state that does not imply a profound change in the political economy is bound to be linked to a strategy of extrication through elections. . . . [Transition] vindicates the lesson that there are no truly viable alternatives to civilized politics. This is the most important lesson of the logic of transition.[19]

In effect, the transition can establish and implement rules of the game that can provide the foundation for durable consolidation of democracy.

Yet another kind of emphasis on political factors, dealing especially with prospects for consolidation, tends to focus on institutional variables. Here the debate centers on the relative merits of presidentialism, semipresidentialism, and parliamentarism. Juan Linz, Arend Lijphart, and Arturo Valenzuela have argued forcefully in favor of the parliamentary alternative.[20] Constitutional debates in Brazil and especially in Argentina have focused on varieties of semipresidentialism.[21] The point is that such institutional arrangements could promote power sharing, encourage accommodation, and thus enhance the prospects for durable consolidation. The irony, and perhaps the tragedy, is that genuine parliamentarism has yet to be attempted in Latin America.[22]

In response to many such concerns, from economic to political arguments, Barbara Stallings and Robert Kaufman brought together a prominent group of analysts in mid-1987 to deal with two basic issues: (1) the influence of regime type on policy choices for dealing with the debt crisis,

[19] Baloyra, ed., *Comparing New Democracies: Transition and Consolidation in Mediterranean Europe and the Southern Cone* (Boulder, Colo.: Westview Press, 1987), 3, 18, 47.

[20] Oscar Godoy Arcaya, ed., *Hacia una democracia moderna: la opción parlamentaria* (Santiago: Universidad Católica de Chile, 1990); Linz, "Democracy, Presidential or Parliamentary: Does It Make a Difference?" (Paper presented to ACLS conference on Constitutions and Constitutionalism in Latin America, Punta del Este, Uruguay, November 1988); idem, "The Perils of Presidentialism," *Journal of Democracy* 1 (Winter 1990), 51–69; Larry Diamond and Linz, "Introduction," in Diamond, Linz and Seymour Martin Lipset, eds., *Democracy in Developing Countries*, vol. 4, *Latin America* (Boulder, Colo.: Lynne Rienner, 1989), 24–27; and Lijphart, "Basic Choices in Democratic Constitutional Design," *Journal of Democracy* (forthcoming).

[21] Carlos Santiago Nino, "Transition to Democracy, Corporatism and Constitutional Reform in Latin America," *University of Miami Law Review* 44 (September 1989), 129–64; *Reforma constitucional: Dictamen preliminar del Consejo para la Consolidación de la Democracia* (Buenos Aires: Eudeba, 1986); and *Reforma constitucional: Segundo dictamen del Consejo para la Consolidación de la Democracia* (Buenos Aires: Eudeba, 1987).

[22] For a view that emphasizes institutional factors in historical perspective, see Myron Weiner, "Empirical Democratic Theory," in Weiner and Ergun Ozbudun, eds., *Competitive Elections in Developing Countries* (Durham, N.C.: Duke University Press, 1987), 3–34.

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and (2) the impact of the debt crisis on regime type and political transition. To their credit, and unlike many others, Stallings and Kaufman offer at the outset their working definition of democracy: "A regime can be considered democratic to the extent that incumbent governments must win and retain power through competitive elections, tolerate opposition challenges to their incumbency, and deal with relatively independent interest groups" (p. 1). Their recognition of the need for definitional precision is entirely laudable in principle, if less satisfactory in practice. Their concept tends to focus on electoral formalities while ignoring the importance of starting points and of trajectories.[23] And the notion of "transitional democracy," which they introduce in their concluding essay, suffers from teleological presumptions. Transition to what? How do we know?

It is essential to identify the structural properties of both the transitions and the resulting democracies. Latin American politics of the 1980s has displayed three outstanding characteristics. One is the rise in civic participation, from the compelling protests of the Madres de la Plaza de Mayo in Argentina to the understated agony of members of the working class in Chile to the long and dignified lines of voters in Central America. Second is the increasing commitment to the electoral process. Elections can serve many functions, of course, from the selection of leaders and programs to the legitimation of behind-the-scenes influence. But the intensity of electoral campaigns and of voter participation throughout the 1980s, often conducted under hazardous conditions, indicates a remarkable willingness on the part of ordinary citizens to utilize ballots to express preferences, settle conflicts, and confer authority on leaders.[24] Third is the withdrawal of military leaders from formal office and, as a result, the emergence of civilian presidents. This has occurred most clearly in Peru, Guatemala, Brazil, Argentina, and Chile. It has brought middle-class civilians to power, and it has provoked a conspicuous change in the social composition of political leadership.

But these processes neither comprise nor guarantee full democracy. There are at least five major limitations on contemporary democracy in Latin America. First, paradoxically enough, is the continuing role of the military. Almost everywhere in Latin America the armed forces have established a broad range of fiefdoms and prerogatives above and beyond

[23] See Stepan (fn. 17), 64–84.

[24] See John A. Booth and Mitchell Seligson, *Political Participation in Latin America*, 2 vols. (New York: Holmes and Meier, 1978–79); and Enrique C. Ochoa, "The Rapid Expansion of Voter Participation in Latin America: Presidential Elections, 1845–1986," in James W. Wilkie and David Lorey, eds., *Statistical Abstract of Latin America*, vol. 25 (Los Angeles: UCLA Latin American Center Publications, 1987), 862–910.

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the scope of civilian authority.[25] This is perhaps most apparent in Argentina, where throughout the 1980s the once-disgraced military staged a series of uprisings designed to restore the traditional boundaries of military power, though not to overthrow the regime; with the declaration of amnesty by beleaguered President Carlos Saúl Menem, the officers won their case. From Chile to Brazil to Guatemala and El Salvador, generals no longer sport presidential sashes but continue to wield enormous influence and autonomy.

Second, the recently installed democracies rest upon a tenuous foundation: the emasculation of the Left. In country after country (except Nicaragua), elections have entailed choices between the Center and the Right (and combinations thereof). The Left has been most conspicuous by its absence. During the authoritarian episodes of the 1960s and 1970s the Left was subjected to torture, intimidation, and in some cases near extermination. As a result, electoral contests have been tepid, fail-safe affairs. Subsequent events in Eastern Europe and the Soviet Union have eroded the ideological foundations of Marxism, which may give way to various forms of populism in the 1990s. In the meantime, there are no more Allendes.

Third has been tacit censorship. One of the most crucial problems of the day, redistribution of income—on behalf of either workers or peasants, either as revised wages or as land reform—is simply not open to public debate. Nor, in most countries, is there a possibility of legal prosecution of military murderers. (This helps explain why conservative generals are willing to stay in the barracks.) This is not to say that debt management, as sketched out by Stallings and Kaufman, is an unimportant matter. It it merely to say that the most crucial consequence of the debt/development crisis—its regressive impact on income distribution—is not a subject for meaningful public discussion.

Fourth, there continues to be widespread and semiofficial abuse of human rights. This is especially true in Central America, most especially in El Salvador and in Guatemala, but it is also evident in Colombia and Peru (where the U.S. is ardently supporting paramilitary campaigns as part of a noble crusade against international drug trafficking).[26] In many

[25] See Alfred Stepan, *Rethinking Military Politics: Brazil and the Southern Cone* (Princeton: Princeton University Press, 1988), esp. chaps. 6 and 7.

[26] See, e.g., Americas Watch Committee, *Tolerating Abuses: Violations of Human Rights in Peru* (New York: Americas Watch, 1988); idem, *The Killings in Colombia* (New York: Americas Watch, 1989); idem, *The Drug War in Colombia: The Neglected Tragedy of Political Violence* (New York: Americas Watch, 1990); Amnesty International U.S.A., *Guatemala: Human Rights Violations under the Civilian Government* (New York: Amnesty International, 1989); and Peter H. Smith, "Drug Wars in Latin America," *Iberoamericana* (Sophia University, Tokyo) 12 (Summer 1990), 1–16.

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countries, Chile and Argentina now excepted, elected civilian presidents are either unwilling or unable to protect those citizens' rights that are most basic to the achievement and perpetuation of genuine democracy.

Fifth, these newly installed governments have revealed a marked propensity for undemocratic decision making, especially in regard to economic policy. From the technocrats in Mexico to Fernando Collor de Melo in Brazil to Alberto Fujimori in Peru, policymakers have ignored or flouted the popular will. "What we have really been seeing in Latin America over the decade of the 1980s," according to James Malloy, "has been the emergence of new kinds of hybrid regimes which in the short term at least marry an outward electoral democracy with a technocratic and authoritarian policy process especially in economic matters." Beset by problems of governance and the exigencies of neo-liberal austerity programs, civilian rulers display an "inner authoritarian bent."[27] In so doing, they jeopardize one of the key precepts of democracy, the idea of accountability.

These caveats convey at least three messages. First, they argue in favor of strict, rigorous, and consistent usage of such terms as *democracy* and *democratization*. Second, they reveal the recent democratic transitions to be contingent, uncertain, conditional phenomena—not automatic processes or self-fulfilling prophecies. Third, and in turn, they call for caution against sweeping generalization and for judicious use of comparative analysis. Whatever might be the "winds of change" in Eastern Europe, for example, it is not entirely self-evident that these same breezes are blowing in Latin America.

Finally, the restrictive nature of these democracies suggests that they might move in the direction of more complete democratization—or they might not. My own guess is that they are just as likely to transform themselves into *democraduras*, as O'Donnell and Schmitter have called them, civilian governments under the auspices of military authorities who are dedicated to the imposition and maintenance of social discipline. The possibility will grow stronger if the debt/development crisis continues to fester. Kaufman and Stallings offer a similar judgment: "The greater danger to democracy in the next decade is not military overthrow, but military subversion" (p. 219). There might well emerge a variety of "hard-line democracies," quasi-democratic and quasi-authoritarian, as occurred in Uruguay under José María Bordaberry some time ago—electoral regimes that make short shrift of human rights and dem-

[27] James M. Malloy, "Economic Crisis and Democratization: Latin America in the 1980s," *The Latin American and Caribbean Contemporary Record* 8 (forthcoming).

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ocratic freedoms. In other words, the future of Latin America might not be Costa Rica; it might well be Guatemala or Peru.

The most original essays in the Stallings-Kaufman volume offer provocative insight into the distributional impacts of the debt crisis and the muddling-through strategies of the 1980s. Jeffry A. Frieden argues that winners are those who can easily move assets, who take their currency or goods to Miami and exit from the political game (which explains capital flight from Mexico and Venezuela). Losers have geographically fixed assets (as shown by relatively low capital flight from Chile and Brazil), and, as a result, they stay on to engage in political contests. The subsequent question is whether they will try to work from within the regime, as in Chile, or join the opposition, as in Brazil. Sylvia Maxfield supports this general argument, indicating that debt-led growth in Latin America was especially favorable to the financial sector and to large firms. And Ian Roxborough demonstrates convincingly that organized labor has been one of the biggest losers: in Mexico, for instance, real wages plummeted by nearly 40 percent between 1982 and 1985. These papers thus trace the outlines of a sociopolitical interpretation of debt-related problems of the 1980s. Unfortunately, there is no essay on that most voluble and vocal of sectors, the urban middle class. Nor is there any explanation of why Latin American governments, democratic and authoritarian, chose to subject their citizens to such sacrifice and deprivation, or why these selfsame regimes made such timid and ineffective efforts to join together in a debtors' cartel.

Debt and Democracy raises two broad, analytical issues. One is the question of causality. The debt crisis (and/or the development crisis) may or may not "cause" democracy or dictatorship in Latin America. As Paul Drake demonstrates through his reexamination of the 1930s, debt crises can jeopardize either democratic or authoritarian regimes. But more to the point: the absence of military coups in the 1980s does not mean that the distributional effects of the debt crisis do not foster confrontation, polarization, and instability in the political arena; it only means that there are countervailing factors. In time, Riordan Roett's prediction could still come to pass:

> Given an option, voters may favor a populist leader who promises a better future. The issue is less whether democratic regimes will be forcibly overthrown than whether Latin America will slowly return to the irresponsible, populist politics of a bygone era. Promises of distribution cannot be met given the current economic crisis. What will follow the failure of populist policies? Will populist regimes so radicalize the policy process that

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polarization will inevitably result, with the armed forces becoming a real threat in the 1990s? (pp. 70–71)

Long-run prospects are not necessarily good. And in the short term the debt crisis still presents a serious threat to democratic consolidation.

A second question concerns the autonomy of the political arena. Noting the persistence of "democracy" amidst the ravages of debt and muddling through, Kaufman and Stallings surmise that "there may turn out to be more separation between the economic and political spheres than is generally believed" (p. 217). Of course this all depends on what is generally believed by whom. Their argument is nonetheless consistent with recent literature on the autonomy of the state and on the desirability of "bringing the state back in."[28] But that does not argue in favor of a total separation of political and economic spheres, which is not justifiable on either empirical or logical grounds. What it really suggests is the need to ascertain interconnections with clarity and precision.

Focus on the International Arena

Literature on democratization in Latin America tends to concentrate on the interplay between state and opposition within the domestic arena. Ironically enough, for a field so recently dominated by the *dependencia* approach, there has been conspicuously little attention given to the power and presence of international political factors. (Even *Debt and Democracy*, with its emphasis on external pressures of the debt crisis, deals mainly with responses and realignments of forces within national polities.) But international and contextual variables could have a major impact on political transformations throughout the region, and fulsome declarations from Washington assert that the U.S. has played a major and positive role in the promotion of democracy throughout the region.[29] Books under review dispute this latter contention.

As Lars Schoultz shows in his study *National Security and U.S. Policy toward Latin America*, the idea of security—rather than aid, assistance, or partnership—has long dominated U.S. thinking toward the region. (Having written a book on human rights, he came to regard that as "a residual category.... If one wants to study the core of United States policy toward Latin America, one studies security" [p. xi].)[30] His analysis

[28] See Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (Cambridge: Cambridge University Press, 1985).

[29] For an insightful overview and critique, see Cole Blasier, "The United States and Democracy in Latin America," in Malloy and Seligson (fn. 13), 219–33.

[30] See Schoultz, *Human Rights and United States Policy toward Latin America* (Princeton: Princeton University Press, 1981).

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traces both the *content* and the *transformation* of the Washington consensus that depicted international communism as both cause and consequence of political instability in Latin America. On the basis of interviews, documents, and firsthand observation, Schoultz writes of the immediate postwar period: "Virtually all policy makers shared two core beliefs: they believed that instability in Latin America was caused by Communist adventurism and, as a result of this, they believed that instability, left unchecked, was a threat to U.S. security" (p. 14). Over time, especially as nongovernmental groups joined in public debates, two key questions emerged within the U.S. policy-making establishment:

> 1. whether political instability in Latin America resulted from communist adventurism or from structural poverty; and
> 2. whether political instability in Latin America would lead to communist advances (bad for the U.S.) or to reform and structural change (which might be good for the U.S.).

Arraying groups along these two dimensions, Schoultz distinguishes "conservatives" (who regard communism as cause and consequence of instability) from "moderates" (who regard poverty as the cause but communism as the possible effect) from "liberals" (who see poverty as the cause and reform as the result). "This group is new," Schoultz contends of the liberals, "and if it persists, it threatens to change forever the face of U.S. policy toward Latin America" (p. 21).

Schoultz explores the potential impact of Latin American "instability" on U.S. "security" with surgical precision. He wields his scalpel on ideas about the need for the United States to maintain strategic access to key commodities:

> —*Raw materials*. "The data indicate that U.S. dependence upon Latin America for essential strategic raw materials is fairly modest, and Latin America's supplies are extremely highly concentrated in Brazil, Jamaica, Mexico, and Venezuela" (p. 157).
>
> —*Military bases and military support*. Despite the presence of bases in Panama, Honduras, and Guantánamo, "a rough consensus has been reached [within the U.S. military!] that there is little need for U.S. military bases in Latin America" (p. 173) and that Latin American armed forces would be neither effective nor reliable in large-scale combat.
>
> —*Vital maritime routes*. Sea lines in the Caribbean (but not elsewhere) are important, as they would be in wartime, but they are already well defended by U.S. forces.

In addition to insisting on strategic access (for the U.S.), security doctrine has stressed the importance of strategic denial (for the USSR). The Soviets would in fact have little to gain from the installation of new

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intelligence facilities or military bases, though there might be some advantage in the deployment of decoys that could tie down U.S. forces in the Western Hemisphere. Nor is it likely that a U.S. "loss" in, say, Central America would tip a fragile strategic balance of power in favor of the Soviets. Despite its improbable foundations, the logic of strategic denial has exerted a profound impact on U.S. policy. To quote one of Schoultz's more memorable passages:

> Most policy makers believe that the security of the United States would not be adversely affected if Latin America were, say, to sink to the bottom of the sea.... Why? Because if the region were to disappear, then there would no longer be a need to worry about Latin America's vulnerability to Soviet and Soviet/Cuban adventurism. And that is the true significance of Latin America to U.S. security: it is not that policy makers want much of anything from Latin America but rather that they do not want the Soviet Union to have it. (p. 310)

This whole debate now seems hopelessly anachronistic, the relic of a cold war since dumped into history's ash can. But Schoultz's masterful exposition of the Washington mind-set commands attention for several reasons. First, it underscores the intensity (and shortsightedness) of U.S. concern with security issues. Second, it reveals the paucity of U.S. concern with the promotion of democracy. One is reminded of John F. Kennedy's stated willingness to tolerate a Trujillo if that would prevent another Castro. Third, it draws attention to the role of the U.S. in the contemporary process of democratization.

In fact the influence of international factors—and of the U.S.—might be more evident with regard to what did not happen than to what actually occurred. One of the most notable features of the recent transitions is a nonoccurrence. The United States did not intervene to prevent, control, or truncate the process of democratization as it has done on so many other occasions. This self-restraint came at a time when the United States was stepping up its activity in Central America and mounting an invasion of Grenada and when prevailing doctrinal formulations in Washington stressed the dangers and difficulties inherent in postauthoritarian transitions.[31]

Why this permissiveness? Perhaps, in keeping with Schoultz, because Washington did not perceive any direct threat to U.S. security interests. In Central America, of course, the U.S. exercised a major tutelary role. Elections in El Salvador were directly supervised by U.S. personnel. Sim-

[31] See Jeane J. Kirkpatrick, "Dictatorships and Double Standards," *Commentary*, November 1979, republished in idem, *Dictatorships and Double Standards: Rationalism and Reason in Politics* (New York: Simon and Schuster, 1982), 23–52.

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ilarly, the transitions in Honduras and Guatemala occurred under the watchful scrutiny of Washington. (Panama stands in a class by itself.) There is a legitimate question about whether or not these cases constitute instances of "democratization," but there is no doubt about the reality of external influence. Basically, the Reagan administration supported these changes in order to consolidate friendly governments and to extend the diplomatic and political isolation of Nicaragua.

The relatively passive stance of the U.S. regarding the transitions in South America—in Uruguay, Argentina, Brazil, Peru, and most recently Chile—may stem from two reasons. First, the U.S. has less direct influence on these countries (although it can still try, as shown by Chile in 1973). Second, and more importantly, none of these transitions threatened to empower a radical party of the Left. With or without direct supervision of the armed forces, every one of these transformations culminated in contests between parties of the Center and the Right (the only possible exception being Brazil in 1989). Washington perceived no genuine threat to U.S. security interests, so there was no need to intervene.

One might imagine that the end of the cold war would augur well for Schoultz's "liberals." Where are they now that their hour has arrived? Ensconced in the bureaucracy, we trust, just as before, silently and selflessly responding to the demands, incentives, and temptations of official life in Washington. In fact, *National Security* displays a keen and sympathetic sense for the situational predicaments of policymakers, an outlook suggesting that bureaucratic and political constraints—not personal beliefs or attitudes—can determine policy outcomes. Liberals could inhabit every nook and cranny of the policy-making apparatus, but it would not make any difference if they were kept under wraps by institutional superiors.

From Central America and the Caribbean we turn to the history of U.S. relations with Argentina, to what Joseph Tulchin labels a "conflicted relationship." His chronological coverage is a bit unbalanced, centering on the World War II era, with only cursory attention to the past two decades. Nor is there much of an interpretive argument. Tulchin asserts that the difficulty in U.S.-Argentine relations has structural roots, and here he fastens on the persistence of fantasy within policy-making circles in Buenos Aires: "Argentine leaders aspired to greatness and to influence in world affairs but refused to compete with the other great powers on the usual terms. As a consequence, the Argentine view of world affairs became unrealistic even as it became entrenched in the thinking of the nation's leaders." All in all, Tulchin declares, Argentina's leaders "never had a global sense of their national interest" (p. 25).

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One strength of this book is its focus on foreign policy questions from a Latin American perspective, a welcome contribution to the appallingly thin literature on Latin American foreign policies.[32] But at times the emphasis on ideological tradition can lead to dubious judgments. Dismissing the Argentine penchant for unyielding adherence to high-minded principle (*principismo*), for instance, Tulchin ridicules a foreign minister's statement in the 1980s that his country was seeking to become a moral power. "It is not clear what it means to be a moral power or a moral nation," Tulchin remarks. "It is not a familiar category in political science or in diplomacy" (p. 162). It is not so unfamiliar as a rhetorical tactic, however, especially if one is trying to redefine the issues under negotiation. Also curious is Tulchin's insistence that Argentina must come to terms with the United States: "Until and unless Argentina can resolve its long-standing differences with the United States," he writes, "its foreign policy will continue to be characterized by contradictions, a confrontational tone in the face of minor crises, and a *principismo* that is little congruent with other aspects of the international comportment of the nation" (p. 160). But what does a resolution of "long-standing differences" with the U.S. actually entail? Capitulation to the security arguments that Schoultz so thoroughly demolished? In fact, Tulchin concedes that Argentina's stance on Central America was not "confrontational or quixotic" but "realistic and moderate" (p. 164). Inexplicably failing to mention the Plan Austral, he also points out that Argentina's tactics for debt negotiations made a good deal of sense. His only real criticism of the Alfonsín administration concerns an ill-timed trip to Havana (pp. 168–69). It is not quite clear where Argentina went so wrong.

Even so, the Tulchin book makes several significant points. Its historical narrative offers a poignant reminder about the deep roots of antagonism toward the U.S., not only in countries where we have intervened militarily but also in the more distant reaches of South America. It emphasizes the role of perceptions in policy-making, especially from the Latin American side. It demonstrates that Latin America has held a modest place in U.S. priorities, as shown by Washington's neglect of requests for economic assistance in the wake of World War II—just as the Truman administration was getting ready to launch the Marshall

[32] The standard source in English is still Jennie K. Lincoln and Elizabeth G. Ferris, eds., *The Dynamics of Latin American Foreign Policies: Challenges for the 1980s* (Boulder, Colo.: Westview Press, 1984). Over the past fifteen years Latin American scholars have produced a growing number of foreign policy studies for individual countries; it is now time for a fresh synthesis.

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Plan for Europe. And, largely by omission, it suggests that the U.S. has had a negligible role in the promotion of democracy in Argentina.

What now? Now that the cold war is coming to an end, what will U.S. policy be? What should it be? Abraham F. Lowenthal attempts to supply an answer. Longtime executive director of the Inter-American Dialogue and a prominent expert on U.S.-Latin American relations, Lowenthal asserts that Latin America now presents the United States with two fundamental challenges—the resuscitation of economic growth and the consolidation of democracy (undefined!). Writing in the mid-1980s, Lowenthal spells out the possibilities:

> The United States must take the initiative if Latin America's crisis of the 1980s is to be turned to opportunity. The time has come for bold U.S. leadership, not intrusive or domineering but respectful and supportive.
>
> The United States should propose measures to help reexpand the flow of funds, goods, and services throughout the Americas; strengthen democracy and protect human rights; curb the deadly traffic in narcotics; and promote hemispheric peace and security, especially in Central America. On all these major issues, the countries of Latin America and the United States share fundamental objectives. On each, despite considerable differences of interest and perspective, great potential exists for enhanced inter-American collaboration. But new policies are needed to convert compatible aims into effective partnership. (p. 183)

In the economic sphere, Lowenthal argues, the U.S. has a major stake in Latin America's recovery. Since the reduction of debt burdens and an influx of capital will not come about through free-market decisions, governmental action is vital. The U.S. should accordingly concentrate its activity in five areas: supporting international financial institutions, inducing commercial banks to renew lending, proposing a plan to distribute costs of some debt relief, redoubling efforts to reduce the U.S. fiscal deficit and real interest rates, and promoting liberalized trade. In the political realm, Lowenthal urges the U.S. and Latin America to support fundamental human rights; to fortify the social underpinnings of democracy "by confronting the gross inequities in Latin America that breed revolution and repression"; and to support "the institutions and practices that are the fabric of democracy"—including legislatures, civilian control of military, law enforcement, political parties, and the press (p. 188). According to this argument, the United States has the capacity to promote democracy in Latin America but has not done so in the recent past. The time has come for a new U.S. stance, concludes Lowenthal, "one that is built on confidence and trust, on what Latin Americans call *confianza*" (p. 199).

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Many of Lowenthal's prescriptions are workable and wise. Some are vague and hortatory (it is easier to "confront" gross inequities than to resolve them, for instance). Despite its judicious tone, however, much of Lowenthal's advice appears to have fallen on deaf ears. "Democracy cannot be imposed by force," he insists (p. 194); Washington's post–cold war warriors have since invaded Panama, asphyxiated Nicaragua, and dispatched military advisers to the Peruvian highlands. The Reagan-Bush administrations appear to have concluded, understandably if ultimately incorrectly, that economic and military aggression can achieve desired policy goals. Outside the diplomatic drawing rooms, talk of *confianza* bears little connection to contemporary reality.[33]

A hallmark of this book, as for the other studies under review, is the absence of a theoretical framework. The call for *confianza* is an exhortation, not a conceptual tool. This is all the more conspicuous since Lowenthal has over the years made such important analytical contributions to our understanding of U.S. policy-making toward Latin America.[34] Though he alludes to these issues from time to time, especially in his treatment of the decline of U.S. hegemony (chap. 2), he offers no overall framework for the discussion. As a result his policy prescriptions, valuable in and of themselves, are not part of a coherent strategy. The whole is less than the sum of the parts.

Reprise: In Quest of Theory

The theoretical paucity that has come to characterize recent work on Latin American politics carries considerable costs. This is not to argue that bad theory is better than no theory. (Even this assertion raises debatable points. First, no analysis can be totally devoid of theory: where purported to be absent, theory is usually undeveloped and implicit, which leads to inconsistency. Second, outmoded theory makes a contribution; in being tested and rejected, it allows dismissal of arguments and contributes to understanding.) In fact, as already noted, there are good and perhaps even sufficient reasons for the relative modesty of theory in recent literature: the complexity of political transitions in Latin America has defied facile generalization.

[33] Apparent improvement in the tone of U.S.–Latin American relations under the Bush administration has more to do with realpolitik than with *confianza*, as Lowenthal himself has tacitly argued; see Abraham F. Lowenthal, "Rediscovering Latin America," *Foreign Affairs* 69 (Fall 1990), 27–41.

[34] See, e.g., Abraham F. Lowenthal, "United States Policy toward Latin America: 'Liberal,' 'Radical,' and 'Bureaucratic' Perspectives," *Latin American Research Review* 8 (Fall 1973), 3–25.

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At issue has been the relationship between economics and politics, in particular, the connection between macroeconomic change and the process of regime transformation. Contemporary transitions from authoritarianism toward democracy in Latin America have occurred under highly inauspicious conditions. This tendency has sharply challenged dependency theory and apparently refuted its once-fashionable assertion that Latin America faced only two plausible long-term political outcomes, fascism or socialism. It has also created considerable confusion within the field of Latin American politics.

How to explain the emergence of political democracy amid economic crisis? Scholars have sought to resolve this paradox in a variety of ways. In so doing, they have begun to articulate elements for the construction of new and viable theory. One approach has been to broaden the notion of causality. There has come forward the hypothesis that economic crisis, in the 1930s as in the 1980s, would be likely to undermine *any* kind of political regime, democratic or authoritarian. Economic downturn precipitates political transition, in this view, but without regard to the *direction* of change: it could undermine democratic or authoritarian regimes, whichever happened to be in place at the time. And by extension, this proposition gives rise to an additional hypothesis: the continuation of economic crisis would complicate and endanger the *consolidation* of any ensuing democratic regime. Economic variables thus have considerable impact on political outcomes. In contrast to both modernization or dependency frameworks, however, the consequent direction of political change does not carry specified positive or negative signs.

An alternative outlook asserts that political variables, not economic circumstances, determine political outcomes. There is no necessary or intrinsic relationship between economics and politics; the task is to comprehend the state itself, rather than reduce it to a social artifact. This focus leads to an emphasis on statecraft, on elite maneuvering to achieve regime transition within a context of serious constraints. Implicitly, however, this orientation also demands attention to the variable roles of civil society, to the appeal of the "democratic idea," and to elite-mass relations.[35] And in the process, this focus resuscitates some of the key concerns of modernization theory. Viewed in retrospect, the modernization school tended to concentrate on the conditions and processes for what would now be called the formation and empowerment of civil society, and this might be its most enduring contribution and its greatest strength.

[35] As emphasized by Levine (fn. 16).

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A third attempt to resolve the Latin American paradox concentrates not so much on intranational factors as on external political influences. There exists a contention that the United States has played a major role in the encouragement of political democracy in Latin America (but as the books under review demonstrate, there is little basis for this claim in recent history). A more challenging version of this argument emphasizes the role of such sweeping alterations in the international arena as the acceleration of communications and technology and the extension of economic interdependence. These factors are widely interpreted as key elements in the discrediting of socialist ideologies, the termination of the cold war, and the process of political transition in Eastern Europe.[36] Theoretically, at least, it might seem tempting to interpret the Latin American transitions in a similar light. One problem is that transformations in Latin America occurred well before they took place in Eastern Europe. A second is that state-society relationships and, in particular, the roles of intellectuals seem to have been entirely different. Yet another is that efforts at comparison have thus far been more declarative than analytical, more assertive than insightful. We have urgent need for systematic comparisons of democratization in Latin America with analogous movements in Eastern Europe and other parts of the world.

A final element in the quest for intellectual order derives from the contention that, despite superficial and cosmetic changes, the transformations of the 1980s do not really represent fundamental transitions from authoritarian to democratic regimes. They represent modifications and adaptations of authoritarian patterns, with conspicuous changes in personnel and procedures for executive selection but with underlying continuities in allocations of power and processes of policy-making. The value of the dependent variable (regime type) has not varied as much as is commonly claimed, so there is less variance to explain. In its ultimate form, this argument may even salvage one of the basic premises of the dependency school—that uneven and inequitable socioeconomic development in Latin America would lead to the imposition of nondemocratic regimes. Semiauthoritarian *democraduras* are quite consistent with this general proposition.

All these observations, or hypotheses, tend to function at the intermediate or middle range. None of them purports to offer a grand theory, but they offer guidelines and building blocks. Examination of these propositions serves to emphasize three fundamental points: first, the importance of defining concepts and specifying variables (such as democ-

[36] See Dankwart Rustow, "Democracy: A Global Revolution?" *Foreign Affairs* 69 (Fall 1990), 75–91.

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ratization, either as transition or consolidation); second, the need to construct explicit models for interrelationships; and third, the utility of complex models that include international as well as domestic factors, social and political forces as well as economic determinants. Finally and perhaps most important is a question of intellectual style. Analysts of political change in Latin America would do well to build upon previous contributions, rather than denounce and discard competing theories and theoreticians à outrance. This is not a call for mindless eclecticism; it is an appeal for rigorous attention to empirical reality and to the analytical (rather than ideological) properties of alternative frameworks. Especially in view of the contemporary complexity of Latin America, it now seems appropriate to construct theories and models gradually—block by block, from the bottom up, rather than in top-down fashion.

In the long run the surge and decline of theoretical orthodoxies has subjected our understanding of Latin America to a pattern of cycles, rather than to one of cumulative growth. The confusion of the 1980s has had a chastening effect on scholarship. Beginning with this modesty, perhaps the 1990s will witness a revival of the theoretical vigor, innovation, and disputation long characteristic in the field of Latin American studies.

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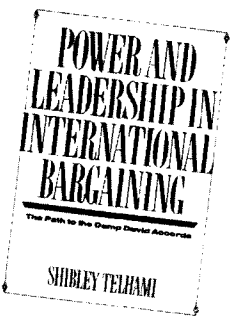

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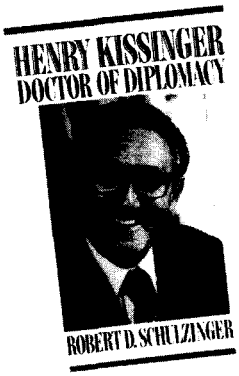

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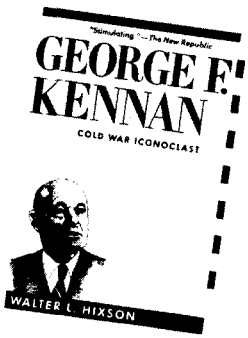

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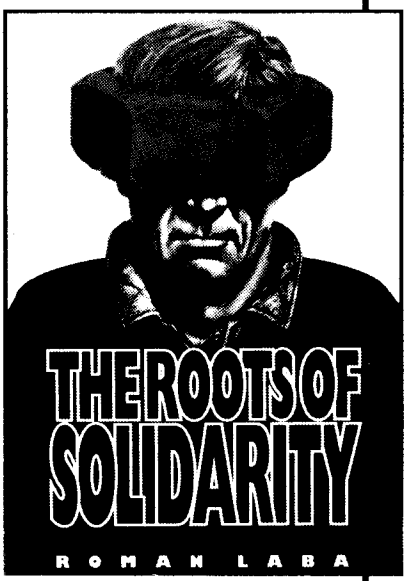

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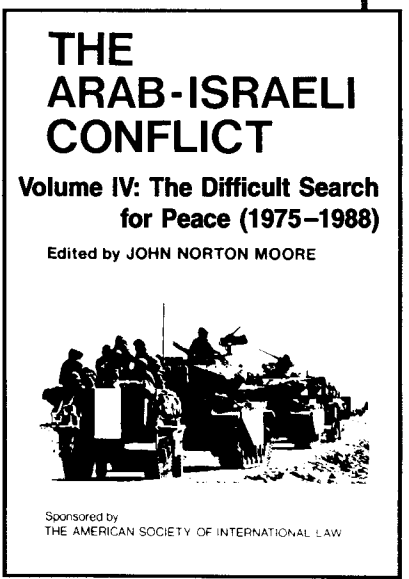

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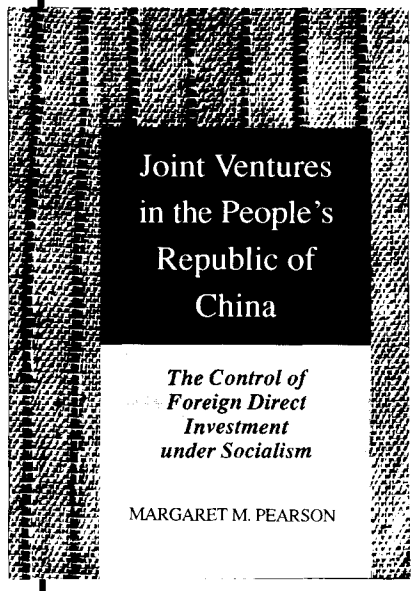

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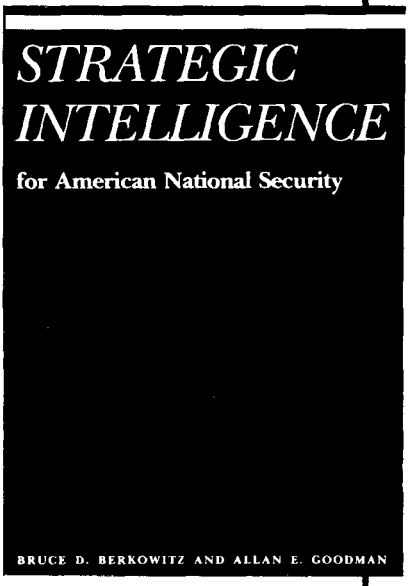

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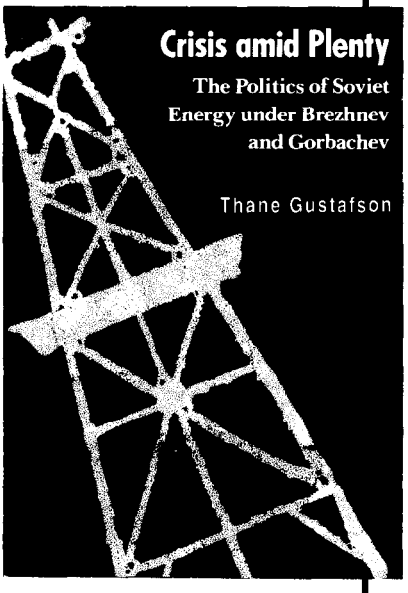

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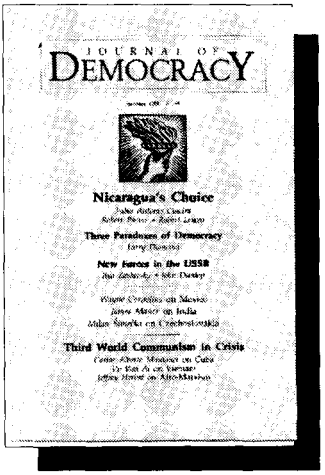

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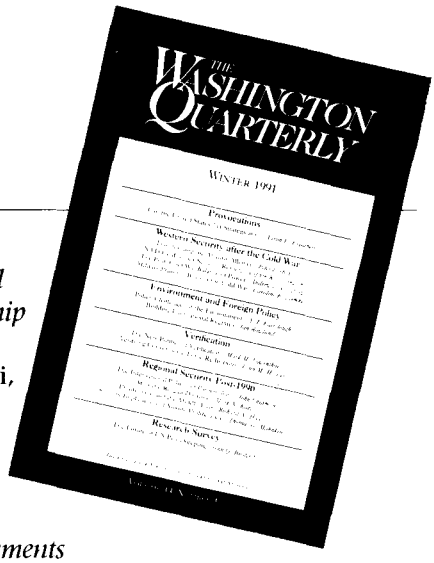

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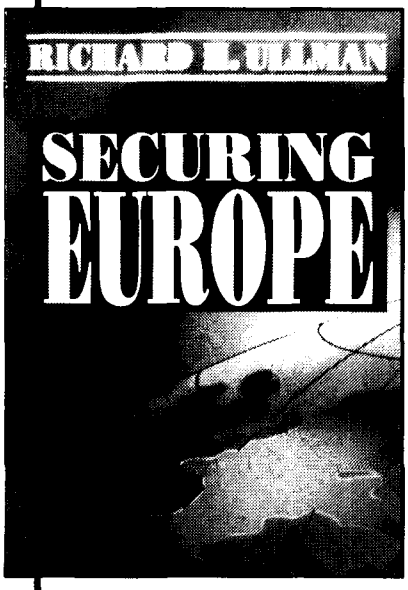

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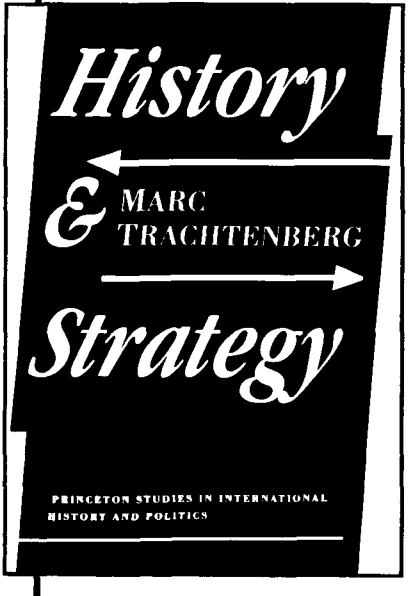

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